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# Rural Conditions and Trends

1999, Volume 9, No. 2


**4 Overview**
*Recent Indicators Send Mixed Signals About Rural Economic Performance*

**9 Race and Ethnicity in Rural Areas**
*Minorities Represent Growing Share of Tomorrow's Work Force*

*Minority Counties Are Geographically Clustered*

**20 Population and Migration**
*Nonmetro Population Rebound: Still Real but Diminishing*

*Rural Areas Attract Young Families and College Graduates*

*Socioeconomic Circumstances of Minority Elderly Differ from Those of White Elderly*

**42 Employment and Labor Force**
*Nonmetro Employment Growth Slows, but Unemployment Continues to Fall*

*Manufacturing Sector in Black Counties Weakens in Era of New Technology*

*Rural Nonfarm Earnings Growth Lags Urban*

**59 Earnings and Income**
*Rural Earnings Continue a Slow, Steady Rise*

*Rural Per Capita Income Grows Slightly Faster than Urban*

*Growth in Rural Transfer Payments for Some Public Assistance Programs Offsets Sharp Declines in Others*

*Sources of Rural Household Income Vary by Demographic Groups*

**81 Poverty and Well-Being**
*Rural Poverty Rate Unchanged*

*The Socioeconomic Well-Being of Rural Children Lags that of Urban Children*

*New Indicator Reveals Similar Levels of Food Security in Rural and Urban Households*

*Housing Problems Differ Across Types of Rural Households*

**102 Farm Labor and Income**
*Minority Hired Farmworkers Earn About the Same as Their Nonminority Counterparts*

*Sources and Levels of Farm Household Income Vary by Type of Farm*

**114 Appendix: Data Sources and Definitions**
**121 Appendix Tables**

# Recent Indicators Send Mixed Signals About Rural Economic Performance

*Recent declines in rates of employment and population growth point to a possible slowdown in the favorable economic conditions prevailing in rural areas during much of the current decade. However, falling unemployment levels, growing per capita incomes, and rising weekly earnings for rural workers indicate the continuation of a positive economic climate. Continuing long-term trends, rural areas lag urban areas in levels of earnings and income, and exhibit more poverty; in some cases, the gap may be widening. Within rural areas, a disproportionate share of minorities remain economically disadvantaged, although some signs of improving socioeconomic conditions are beginning to appear. According to most indicators, economic disadvantage is especially pronounced in rural areas with large concentrations of minority population.*

This issue of *Rural Conditions and Trends* (*RCaT*) provides both a capsule view of current socioeconomic conditions and trends in rural areas across the country and a special look at the socioeconomic status of rural minorities. Many articles update analysis reported in the 1997 socioeconomic conditions issue (*RCaT*, Vol. 8, No. 2) by addressing topics such as population and migration, employment, unemployment, household income, farm household income, hired farm labor, elderly, and housing. Also returning to this issue are articles reporting current trends for per capita earnings, personal income, transfer payments, and wage levels by residence. Articles new to the issue focus on children's well-being and household food security and hunger.

Two articles in this issue rely on special analytical tools developed either within ERS or jointly by ERS and other Federal agencies. The article on farm household income uses a new farm typology to classify U.S. farms into eight different farm types based on farm sales and whether or not the farm is a "family farm." Data for the typology come from the Agricultural Resources and Management Study (ARMS) conducted by ERS and the National Agricultural Statistics Service (NASS). The article on household food security in rural and urban areas presents a new indicator developed jointly by USDA's Food and Nutrition Service and the Department of Health and Human Services (HHS) to assess and monitor food insecurity and hunger in the United States. Also, for the first time in RCaT, data from ERS's Rural Manufacturing Survey are used to examine economic conditions in certain rural areas. All these measures provide important new research tools for future analysis by ERS and its customers in the broader research arena.

In addition to examining the nature and direction of current rural trends during the 1990's, this issue examines the socioeconomic conditions and well-being among rural minorities and rural counties where minorities represent a substantial share of the population. The share of the national population whose racial/ethnic origin is other than White is growing. According to some recent demographic projections, today's minorities will comprise a majority of the U.S. population in future decades if current trends continue.

National attention on the topic of race and ethnicity once again entered the policy limelight with the establishment of a Presidential Initiative on Race in 1997. As a result, the Council of Economic Advisers and the National Research Council were asked to spearhead a research effort to assess the current situation within a historical context and identify the most pressing problems. The Council of Economic Advisers has just released a chartbook, *Changing America*, which documents national differences in socioeconomic well-being by race and ethnicity (Council of Economic Advisers, *Changing America*: *Indicators of Social and Economic Well-Being by Race and Hispanic Origin*, For the President's Initiative on Race, Sept. 1998). However, researchers and policymakers alike have often overlooked the economic and social conditions of rural minorities, who accounted for approximately 20 percent of the rural population in 1990. With historically higher rates of poverty and unemployment and lower levels of education, these minorities, nonetheless, represent a disproportionate share of the disadvantaged segment of rural population.

The first two articles in the issue provide a backdrop for addressing the topic of rural minorities. One article focuses on the demographic characteristics of minorities and how they relate to socioeconomic status. The other article presents a new ERS typology of rural minority counties that delineates counties with high concentrations of minority population and describes their spatial patterns. Other articles directly address the minority topic, including an analysis of the job situation in rural counties where Blacks are at least one-third of the population and an examination of socioeconomic conditions among elderly minorities. In addition to reporting general conditions and trends, all of the articles analyze either a specific facet of socioeconomic well-being for different rural minorities or the

conditions prevailing in the 333 rural counties where minorities constitute at least one-third of the population.

### Economic Indicators Paint a Mixed Picture for Rural Areas

Compared with conditions in the 1980's, rural socioeconomic conditions during the mid-1990's are favorable (table 1). Recent economic indicators, however, are sending a decidedly mixed message about economic changes in rural areas. On one hand, the employment growth in nonmetro areas dropped modestly below the metro rate beginning in 1995, a pattern that has persisted over the last 13 quarters. Furthermore, this slight decrease in nonmetro employment growth extends across all regions and county types, suggesting the possibility of a shift in economic activity toward metro areas. During the same period, the pace of population growth slowed slightly, falling by one-third between 1994 and 1995. Although rural earnings per job grew very slightly during 1995-96, a significant rural-urban earnings gap persisted and even widened. Similarly, since 1989, rural poverty rates have remained unchanged and continue to be higher than metro poverty rates.

On the other hand, rural unemployment rates have continued to fall, per capita incomes grew faster in rural than urban areas, and average weekly earnings for rural workers showed a gain during 1996-97, the largest increase since the end of the last recession. Another sign of favorable economic times appears in a steady drop in growth in nonmetro and metro per capita transfer payments to individuals during the 1990's, which is the usual response to a strong economy. Per capita transfers for the major public assistance programs—food stamps, Supplemental Security Income (SSI), and Aid to Families with Dependent Children (AFDC)—either declined rapidly or grew slowly during 1994-96, but transfer payments for "other income maintenance programs," including programs such as general assistance, emergency assistance, and Earned Income Tax Credit (EITC), grew rapidly. The changes in public assistance programs, however, may be a response to policy and program changes as much as to the economic situation.

### . . . As Well As for Rural Minorities

Nearly all of the main economic indicators used to examine differences in socioeconomic status and well-being reveal wide gaps in the levels of poverty, unemployment, earnings, and income sources between rural minorities and Whites (see box for definition of minority status). For example, the rural minority poverty rates were nearly three times as high as those of rural Whites and substantially higher than those of urban minorities. The levels of poverty differed among rural minorities as well, with Blacks having the highest rate, followed by rural Native Americans and rural Hispanics. Some of the highest poverty rates (more than 40 percent) were found among rural minority children. Black unemployment rates have typically been more than double White unemployment rates. The median income of rural Black households was 56 percent of the median for rural White households in 1996, while median incomes of rural Hispanic and Native American households were about 65 percent that of rural White households. Minorities also have higher levels of food insecurity and hunger.

On a more positive note, growth in average weekly earnings for rural Blacks registered an increase of 5.6 percent since 1990 and 2.4 percent between 1996 and 1997. Although the gap between Black and White earnings remains large, the earnings gap between urban and rural minorities has narrowed significantly—especially for Hispanics—as minorities have been able to make educational and occupational gains. The entry into the labor force of increasing numbers of minority youth may further help to reduce earnings gaps.

### . . . And Areas with Significant Minority Concentrations

ERS delineated counties with significant representations of minority population to help depict the diversity of rural economic well-being and current economic conditions. In over 300 rural counties, minorities made up one-third or more of the population in 1990 (fig. 1; see definitions box, p. 8). An interesting feature of these counties is a geographic concentration or clustering by racial and ethnic groups, which serves to heighten the minority presence in the specific subregions where they are located. Although these counties rep-

Table 1
**Indicators of nonmetro economic performance**

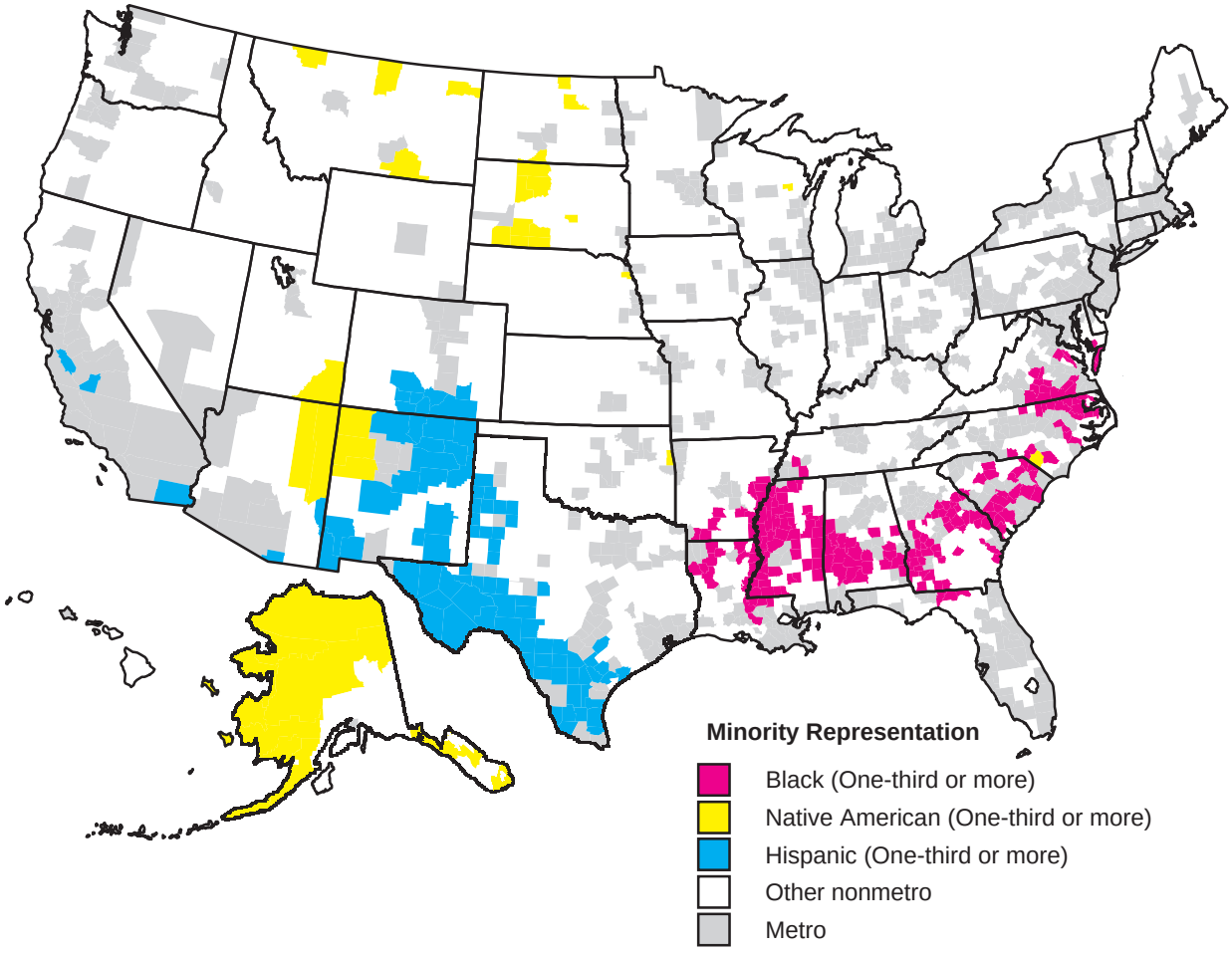
*Socioeconomic conditions in the mid-1990's show signs of continuing improvements, although rural-urban gaps persist*

| Indicator | Performance | Indicator | Performance |
|---|---|---|---|
| | Percent | | Percent |
| Annual population change: | | Annual employment change: | |
| 1990-97 | 0.94 | 1990-97 | 1.4 |
| 1980-90 | .30 | 1980-90 | .9 |
| Annual net migration rate: | | Annual unemployment rate: | |
| 1990-97 | .57 | 1997 | 5.2 |
| 1980-90 | -.28 | 1995 | 5.7 |
| | | 1993 | 6.6 |
| Poverty rate: | | Annual change in real per capita income: | |
| 1996 | 15.9 | 1995-96 | 2.4 |
| 1994 | 16.4 | 1991-96 | 1.7 |
| 1989 | 15.7 | 1989-91 | -.2 |
| | 1996 dollars | Annual change in real transfer payments:[1] | |
| Per capita income: | | 1994-96 | 2.45 |
| 1996 | 18,527 | 1991-94 | 3.43 |
| 1991 | 17,009 | 1989-91 | 5.56 |
| 1989 | 17,091 | | |
| | | Annual change in earnings per nonfarm job: | |
| Per capita transfer payments:[1] | | 1995-96 | .1 |
| | | 1991-96 | .3 |
| 1996 | 3,893 | 1989-91 | -1.3 |
| 1991 | 3,355 | | |
| 1989 | 3,011 | | 1996 dollars |
| | | Rural-urban gap in per capita income: | |
| Per capita earnings: | | 1996 | 7,417 |
| 1996 | 11,224 | 1991 | 6,850 |
| 1991 | 10,366 | 1989 | 7,060 |
| 1989 | 10,612 | | |
| | | Rural-urban gap in earnings per nonfarm job: | |
| Earnings per nonfarm job: | | 1996 | 9,225 |
| 1996 | 22,492 | 1991 | 8,381 |
| 1991 | 22,204 | 1989 | 8,073 |
| 1989 | 22,782 | | |
| | | | 1997 dollars |
| | 1997 dollars | Rural-urban gap in average weekly earnings: | |
| Average weekly wage and salary earnings: | | 1997 | 114 |
| | | 1990 | 125 |
| 1997 | 436 | | |
| 1990 | 422 | | |

[1]Transfer payments to individuals that account for 96 percent of all transfers.

Source: Other articles and appendix tables in this issue of *Rural Conditions and Trends*, Economic Research Service.

Figure 1
**Nonmetro minority counties, 1990**
*Blacks, Native Americans, or Hispanics make up one-third or more of the population in 333 nonmetro counties*




Source: Calculated by ERS using data from the 1990 Census of Population, Bureau of the Census.

resented only 12 percent of total nonmetro population, they accounted for 45 percent of the rural minority population.

As part of the overall rural rebound during the 1990's, minority counties shared in higher rates of population growth during the 1990's, with inmovement of population occurring in most counties. However, the factors underlying the population growth varied among the Black, Native American, and Hispanic counties.

In comparison with other nonmetro counties, all groups of nonmetro minority counties exhibited a disproportionate degree of economic disadvantage, evidenced by high levels of poverty and unemployment and low levels of income and earnings. Furthermore, economic disadvantage tends to be more pronounced in counties where a minority group constitutes a majority of the population. For example, predominantly Black counties in which the manufacturing industry has been an important source of jobs in the past are now finding it difficult to compete in the face of new technology and the demand for more highly skilled workers.

This issue of *Rural Conditions and Trends* provides a broad information base to better understand the effects of economic trends and policies on rural people, their communities, and their local economies. In addition, the issue reports much-needed information

**Definitions**

Based on county census data, the typology of minority concentration areas classifies counties according to three levels of minority representation in the population, less than one-third (low), one-third to one-half (substantial), and more than one-half (predominant) for each of three minority groups—Black, Native American, and Hispanic. The combined substantial and predominant groups are referred to simply as Black, Native American, and Hispanic counties, and "other nonmetro counties" refer to counties with low minority populations. For the sake of simplicity, articles using micro data sources like the Current Population Survey use the terms, "Whites," "Blacks," and "Hispanics" to refer respectively to non-Hispanic Whites, non-Hispanic Blacks, and Hispanics, regardless of race.

on racial and ethnic disparities in rural areas, which provides the basis for an informed discussion about the problems faced by people of different races and ethnic backgrounds in rural America. There is good news here with promising signs of improvements for rural minorities since the 1980's. But far too many rural areas continue to be characterized by disparities among minority groups. A key challenge for policymakers will be to use the information presented here to find ways that will enhance the economic opportunity and quality of life for all rural Americans. The most successful rural policies and programs will be those that recognize the persistent problems as well as limitless possibilities associated with the racial/ethnic diversity of rural areas. *[Peggy J. Cook, 202-694-5419, pcook@econ.ag.gov]*

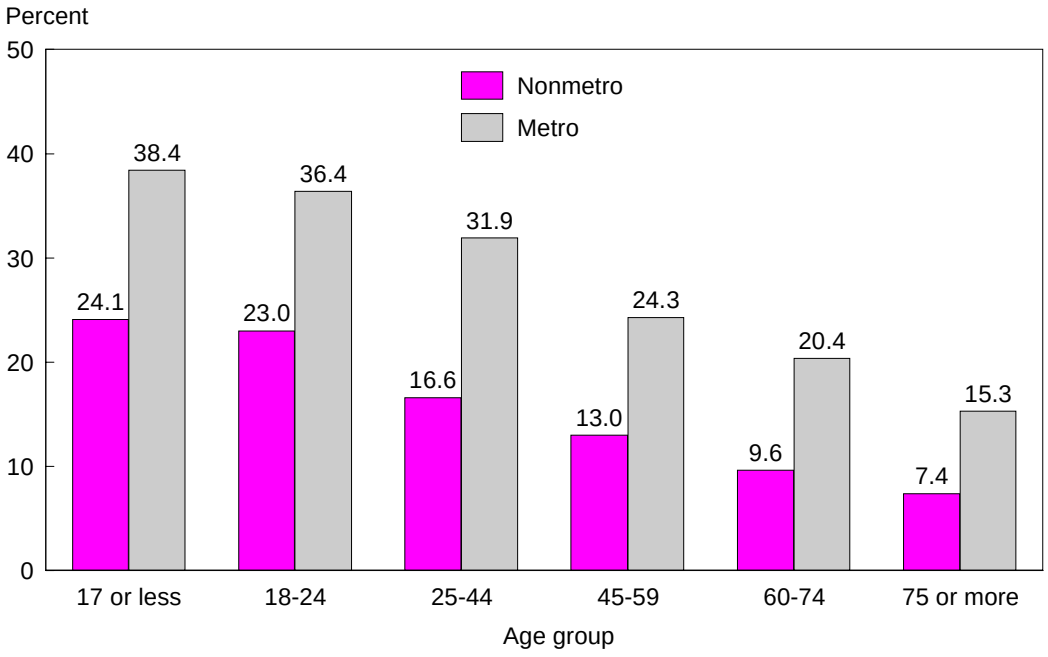
# Minorities Represent Growing Share of Tomorrow's Work Force

Minorities constitute an increasing proportion of the population, particularly among children and younger working-age adults. Although the proportion of minorities is lower in the rural population than in the urban population, specific minority groups are so concentrated in some rural regions that programs and policies affecting the current economic status of minorities are highly relevant there.

The question of race and ethnicity—and how it matters—is once again in the national limelight. Population projections for specific areas, particularly those with high levels of immigration, predict that in the next several decades the non-Hispanic White population will be in the minority (see p. 8 for definition of minority groups). Although the growth rate due to immigration has been fairly constant over the last decade, it does continue and predominantly involves younger age groups. The currently low birth rate among non-Hispanic Whites is offset by higher birth rates for minority groups, particularly among relatively recent immigrants. This assures a more even balance in the near future between working-age and retired adults than would be the case without minority young adults (fig. 1).

With some exceptions, minority groups have higher levels of poverty and unemployment and lower levels of education than nonminorities. Earlier work by ERS researchers, reported in 1996 in *Racial/Ethnic Minorities in Rural Areas: Progress and Stagnation, 1980-90* (AER-731), shows that while different minority groups have similar levels of poverty, the underlying causes are different, and these differences vary among men and women and younger and older members of the same group. In brief, Native American men were found to have extremely high rates of joblessness and little full-time work. Hispanic men are hampered by poor English ability and a concentration in agriculture—much more so than Hispanic women. Black men appear to face pay discrimination not found for other groups or for Black women. Assessing the economic status of specific minority groups, how it has changed over time, and whether and how it differs within that

Figure 1
**Share of population that is minority,* by age group and metro/nonmetro residence, 1997**
*The future race/ethnic composition of the Nation can be seen in the younger age groups*




*Includes everyone except non-Hispanic Whites.
Source: Calculated by ERS using data from the March 1997 Current Population Survey, Bureau of the Census.

group by age or gender provides information for policymakers to develop programs and enact legislation to address the situation, not only for the benefit of the targeted groups, but also for the Nation and its future well-being.

Many of the articles in this issue examine indicators of well-being to determine the current status of specific rural minority groups, as well as the status of the total population in areas where rural minorities are concentrated. This article focuses on the demographic characteristics of minorities and how these characteristics both affect and are affected by socioeconomic status.

### Rural Minority Population Small but Highly Concentrated in Easily Identified Areas

Rural minorities are truly in the minority when taken as a percentage of the total rural population. Although minorities have been slowly increasing as a percentage of the rural population (up 3 percentage points between 1990 and 1997), they constituted 17 percent of all rural residents in 1997. However, specific minority groups are so concentrated in some rural regions that programs and policies affecting the economic status of minorities are highly relevant.

Most minorities, with the exception of Native Americans, live in urban areas. Based on the 1997 Current Population Survey, 42 percent of Native Americans, 15 percent of Blacks, 9 percent of Hispanics, and 5 percent of Asian and Pacific Islanders lived in rural areas. By comparison, 23 percent of Whites lived in rural areas.

As discussed in the next article, rural minorities are uniquely clustered geographically, largely because of reasons that stretch back many decades. While there is some regional clustering of urban minorities, the geographic concentration of rural minority groups is longstanding and shows remarkably little propensity to change. Nearly three-fourths of rural Blacks live in the South Atlantic and East South Central regions, nearly three-fourths of rural Hispanics live in the West South Central and Mountain regions (there has been movement to more northern counties within the Mountain region for Hispanics in the last decade), and more than two-thirds of rural Native Americans live in the West Central and Mountain regions. Only for Asian and Pacific Islanders is regional concentration (in the Pacific region) higher for urban than rural residents. Because of this pattern of rural geographic concentration, the socioeconomic status of a specific rural minority group is highly relevant in particular regions.

### Demographic Characteristics Affect Socioeconomic Well-Being

As other articles in this issue show, rural minorities tend to have lower earnings among workers, higher unemployment, and higher poverty. Demographic characteristics of a minority group both affect and result from their economic and social status. Age structure and education combine as an indication of the level of employment a group might be able to enjoy. Higher numbers of people in a household, or families doubling up in the same household, can have both a cultural and “coping strategy” basis.

### Children Are a High Proportion of the Rural Minority Population

The relatively high proportion of the population under 18 in all the rural minority groups indicates that there is a large pool of potential labor force entrants among minorities and that minorities have a sizable proportion of their own population to support. This is partly fueled in the rural Asian and Hispanic populations by the higher birth rates among recent immigrants. Well over a third of the populations of all four rural minority groups were under age 18 in 1997, compared with a fourth of the White population (table 1). The proportion in prime labor force ages between 25 and 44 is similar for all groups, including Whites.

Partly because of the younger age structure among minorities and the greater proportion of minority families with children, the percentage of rural minorities living in larger households in 1997 was greater than among Whites. The most common household size for rural Whites (at 29 percent) was two people. Ten percent lived alone. Three- and four-person households were the most common among rural Blacks; among Native Americans, the common house-

Table 1
**Nonmetro racial/ethnic populations, by age, 1997**
*The relative youth of minority groups will boost the future labor force*

| Age group | White | Black | Native American | Hispanic | Asian/ Pacific Islander |
|---|---|---|---|---|---|
| | | | Percent | | |
| 17 or younger | 25.0 | 36.4 | 39.3 | 40.0 | 43.9 |
| 18-24 | 8.7 | 12.9 | 11.6 | 12.7 | 9.2 |
| 25-44 | 28.7 | 26.6 | 25.9 | 29.3 | 27.0 |
| 45-59 | 17.5 | 13.4 | 14.1 | 10.7 | 11.7 |
| 60-74 | 13.5 | 7.6 | 7.2 | 5.7 | 6.4 |
| 75 and older | 6.6 | 3.2 | 1.9 | 1.6 | 1.8 |
| | | | Thousands | | |
| Population | 43,458 | 4,877 | 888 | 2,789 | 488 |

Source: Calculated by ERS using data from the March 1997 Current Population Survey, Bureau of the Census.

hold sizes were those containing three, four, or five people; and among Asians and Hispanics, four- and five-person households were the norm. Only 4 percent of rural Hispanics lived alone.

Large family size is not the only reason for larger household sizes among minorities. For those with limited earnings power, combining resources in a single household is a coping strategy. In rural areas in 1997, about 12 percent of families headed by Blacks were not the primary family of the household (termed “sub-families”). Ten percent of Native American families and 9 percent of both Asian and Hispanic families were living as subfamilies. The comparable percentage for non-Hispanic rural Whites was 3 percent. Minority housing and issues of overcrowding will be covered in greater detail by the housing article in this issue.

The strategy of doubling up families in a household may also be due to the smaller percentage of families headed by a husband-wife couple for some minority groups. Increasing the number of adults in the household by combining families may allow the earner and home-manager roles to be efficiently filled for each family’s benefit. In rural areas, 41 percent of Blacks and 48 percent of Native Americans lived in households headed by a husband-wife couple. The most common type of household headship besides a husband-wife couple was that of an unmarried woman (41 percent for Blacks and 28 percent for Native Americans). For the other three groups, Whites, Asians, and Hispanics, about 70 percent of their rural populations lived in husband-wife households.

### Low Education and Employment Levels Characterize All Minority Groups Except Asians

Lower levels of education for those age 25 and over were common for all rural minority groups except Asians and Pacific Islanders (table 2). Education levels were particularly low for rural Hispanics, largely because of the low level of education among immigrants. In 1997, 53 percent of rural Hispanics lacked a high school diploma. Education levels for rural Blacks and Native Americans were not as low as for Hispanics, but were much lower than for Whites or Asians. Forty-one percent of Blacks and 32 percent of Native Americans lacked a high school diploma. At the other end of the extreme were Asians and Pacific Islanders, with only 18 percent lacking a high school diploma and 28 percent having a college degree or more. Only 16 percent of rural Whites have a college degree

Table 2
**Nonmetro racial/ethnic populations, by education, 1997**
*Low education is common for all minority groups except Asian/Pacific Islanders*

| Education level | White | Black | Native American | Hispanic | Asian/ Pacific Islander |
|---|---|---|---|---|---|
| | | | Percent | | |
| Less than high school | 20.2 | 41.1 | 31.8 | 52.8 | 17.8 |
| high school diploma | 40.4 | 37.0 | 34.3 | 25.8 | 28.7 |
| Some college or technical | 23.4 | 15.7 | 25.9 | 15.9 | 25.7 |
| College degree or more | 16.0 | 6.2 | 8.0 | 5.5 | 27.8 |

Source: Calculated by ERS using data from the March 1997 Current Population Survey, Bureau of the Census.

or more. The diversity within the Asian and Pacific Islander group is shown in their range of education levels, with some of the more recent immigrant groups, such as the Hmong and Vietnamese, likely to have arrived in the United States with very little education.

Among those age 15 and over in 1997, unemployment was comparably high for rural Blacks (12 percent) and Native Americans (13 percent) in the labor force. Despite their low levels of education, Hispanics had a somewhat lower unemployment rate, at 9 percent. Asians were as likely as Hispanics to be unemployed (8 percent). Whites were the least likely to be unemployed, with a rate of 5 percent. (These figures are from March 1997. Annual averages for unemployment rates and total employment are available for Whites, Blacks, and Hispanics from 1973 to 1997, shown in appendix table 1).

All four rural minority groups had more than a fifth of their populations over age 16 who were not in the labor force for reasons other than disability or retirement. For rural Whites, that proportion was just over a tenth.

When those who are not employed (including those unemployed and those not in the labor force) last worked is one assessment of the severity of the lack of employment. Among rural Blacks or Native Americans who were not employed, about one-third of each group had not worked within the last year. Though the unemployment rate for rural Hispanics was lower and the sample size is small, the depth of lack of work appears to be greater. The overwhelming majority of rural Hispanics not employed had not worked within the last year.

### Education and Employment Opportunities of Rural Minority Youth Should Be Addressed

The higher rates of unemployment and time out of the labor force show a level of disadvantage that does not bode well for the large segment of the future labor force that will be from minority groups. Children living in precarious economic conditions have additional challenges to doing well in school and remaining in school through high school graduation. The coping mechanisms of living with more people and families in the household are not sufficient to offset the effects of poverty and low education on the children in the house-

hold. Policies and programs targeted to improve living conditions and access to education and employment opportunities would make it easier for the youth in these groups to enter the labor force. The economic health of the country will be strongly affected by whether or not minorities are able to make a solid contribution to that economy. *[Linda L. Swanson, 202-694-5439, lswanson@econ.ag.gov]*

# Minority Counties Are Geographically Clustered

*In 333 rural counties, a minority group makes up one-third or more of the population. ERS delineated these counties to help researchers and policymakers better understand the diversity of rural economic well-being and current economic changes. Poverty rates for minority populations in these counties are higher than for minorities elsewhere.*

Almost half of rural America's 7.2 million minority population lived in counties with substantial or predominant minority representation in 1990 (see box, p. 8). Such counties were small in number—333 out of 2,288 rural counties—and contained only 12 percent of the total rural population (table 1). However, they were geographically clustered according to the residents' race or ethnic group, providing them with a disproportionate presence in specific subregions. Rural minorities often live in geographically isolated communities where poverty is high, opportunity is low, and the economic benefits derived from more education and training are limited. Now as in the past, many growing up in these areas who develop the skills to succeed must use them elsewhere, leaving behind an even poorer community.

This article describes a new Economic Research Service classification of rural counties into areas of substantial and predominant minority concentration for three minority groups identified by the 1990 Census of Population: Blacks, Native Americans (American Indians, Eskimos, and Aleuts), and Hispanics (app. table 2). Another major group identified in the census, Asians and Pacific Islanders, is not considered here (except in app. table 2) because of its very small rural presence. The delineation is based on 1990 census population numbers because these are the most recent by race and ethnicity that are reliable at the county level. Like other county types identified by ERS, such as manufacturing-dependent or persistent-poverty counties, minority counties help explain economic and social diversity within rural areas and why conditions are changing (or not changing) in the 1990's (see appendix, p. 118, for definitions).

Minority counties were identified separately for Blacks, Native Americans, and Hispanics. If a specific group made up one-third or more of a county's population, that county was classified as a minority county. Minority counties were further classified as substantial (one-third to one-half minority) or predominant (more than one-half). Some counties with smaller but still sizable minority populations are left out, but the relatively high threshold makes it more likely that indicators of social and economic well-being reflect conditions among the resident minority population in minority counties. However, a change in economic conditions within those counties, such as the current improvement in per capita incomes among Black minority counties, may not apply equally to the race/ethnic groups living there.

Table 1

**Population by race and ethnicity in rural minority counties, 1990**

*Over 40 percent of rural minorities live in high-minority areas*

| County type | Counties | Total | Black | Native American | Hispanic | Total | Black | Native American | Hispanic |
|---|---|---|---|---|---|---|---|---|---|
| | Number | Thousands | | | | Percent | | | |
| Nonmetro | 2,288 | 50,898 | 4,329 | 882 | 1,902 | 100.0 | 100.0 | 100.0 | 100.0 |
| Minority concentration— | | | | | | | | | |
| Low | 1,955 | 44,624 | 2,301 | 508 | 1,062 | 87.7 | 53.2 | 57.6 | 55.8 |
| High | 333 | 6,274 | 2,028 | 374 | 841 | 12.3 | 46.8 | 42.4 | 44.2 |
| Substantial | 197 | 3,908 | 1,214 | 134 | 328 | 7.7 | 28.0 | 15.2 | 17.2 |
| Predominant | 136 | 2,366 | 813 | 240 | 513 | 4.6 | 18.8 | 27.2 | 27.0 |

Notes: 1993 metro definition.

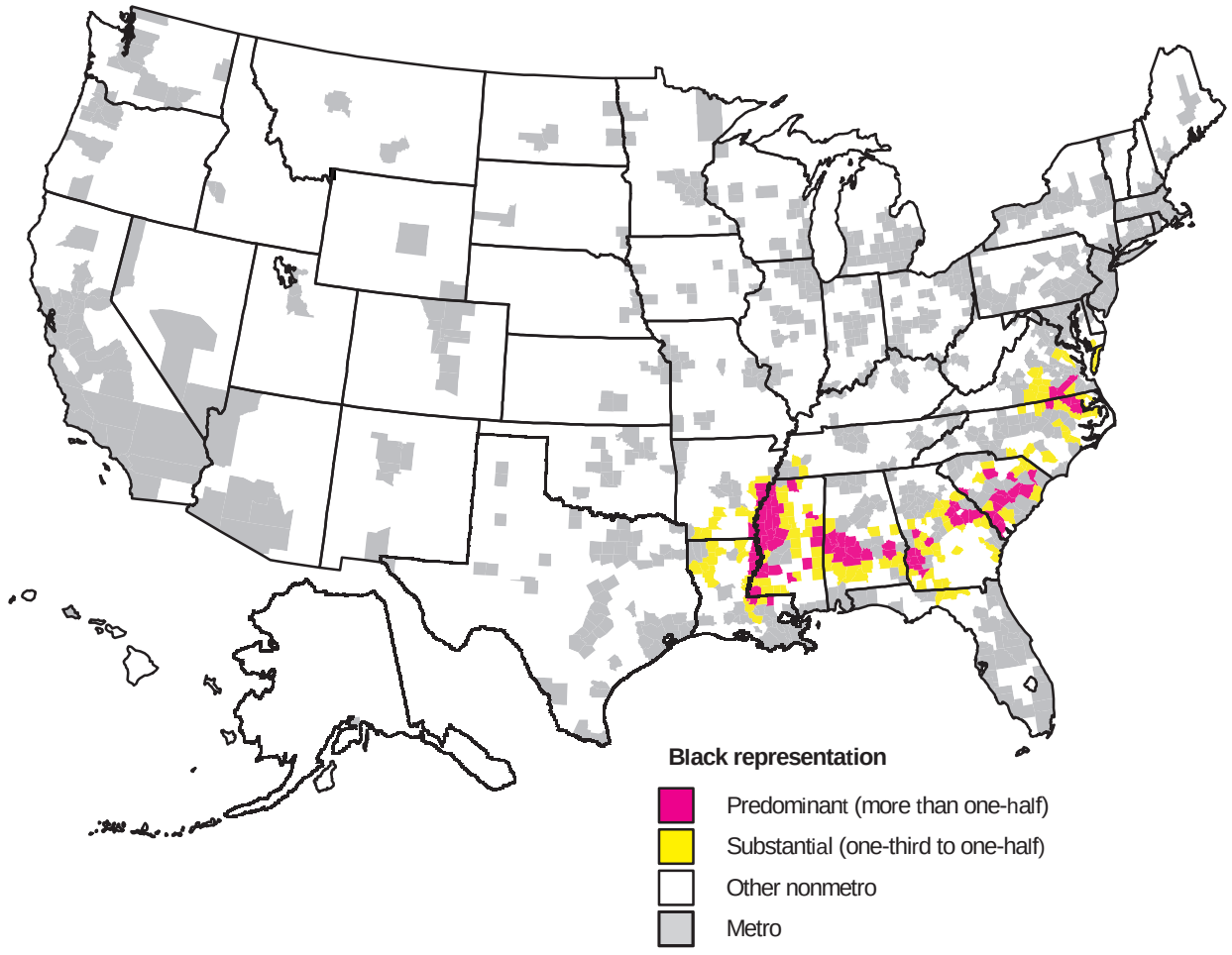
Source: Calculated by ERS using data from the Bureau of the Census.

In 1990, 208 Black counties, 37 Native American counties, and 88 Hispanic counties were identified. Cibola County, New Mexico, the only county with substantial representation of two race/ethnic groups (its population was 38 percent Native American and 34 percent Hispanic in 1990), was classified as a Native American county. Taken together, over 45 percent of rural minorities lived in these minority counties along with just 7 percent of the rural nonminority population. Data are not available to estimate reliably the growth of minority populations in rural counties since 1990. However, the number of minority counties and the overall share of population groups they contain most likely have shifted only slightly during the 1990's.

### Black Counties Are in the South's Traditional Plantation Areas

Rural counties with one-third or more Black population are found only in the South but are well distributed throughout the region's lowland districts from southern Maryland to Louisiana (fig. 1). The 77 counties in which Blacks are in the majority are clustered in the Mississippi Delta and the Alabama Black Belt and in smaller clusters extending through Georgia, South Carolina, and along the Virginia-North Carolina border. Close to 20 percent of rural Blacks live in predominantly Black counties. A larger number live in substan-

Figure 1
**Rural Black counties, 1990**
*Rural Black counties are found throughout the Southern Coastal Plains and Mississippi Delta*




Source: Calculated by ERS using data from the 1990 Census of Population, Bureau of the Census.

tially Black counties, mostly located near predominant counties but also extending into south-central Virginia, eastern North Carolina, and western Arkansas and Louisiana.

Black counties coincide with the South's traditional plantation areas, once largely dependent on cotton and, in some places, on tobacco and peanuts. Southern agriculture's dependence on the low cost of Black labor did not end with emancipation in 1863 but was maintained through various noncash, "sharecropping" arrangements and legal segregation in schools, neighborhoods, and jobs up through World War II. Few Blacks were able to make the transition from small-scale tenant to large-scale commercial farming and, as a result, under 20,000 Blacks operate farms today. In many areas, the slow but steady improvements in basic civil rights, educational attainment, and nonfarm employment opportunities have not solved such problems as the low availability of year-round full-time work, lack of transportation, and other characteristics associated with low-income areas. While Blacks have gained in education and income, many have had to migrate out of these counties for further education and economic opportunity. A large gap persists in education levels and earnings between Blacks and Whites who remain in Black counties.

### Native American Counties Lack Access to Urban Centers

Over 95 percent of the 1.8 million Native Americans are American Indians, and the rest are Alaskan Natives (Eskimos and Aleuts). Just under half of all Native Americans lived in rural areas in 1990, and 42 percent of those lived in Native American counties. Though few in number, Native American counties are clustered in three areas: the northern High Plains, the Four Corners region in the Southwest, and Alaska (fig. 2). All of the counties in the first two clusters contain reservations, on which American Indians have exerted greater political and economic control since Congress passed the American Indian Self-Determination and Education Act in 1975. Many more reservations exist throughout the country in counties where the American Indian minority population is less than one-third of the total. This is due in part to the susceptibility of many reservations to White settlement in the early years of their existence.

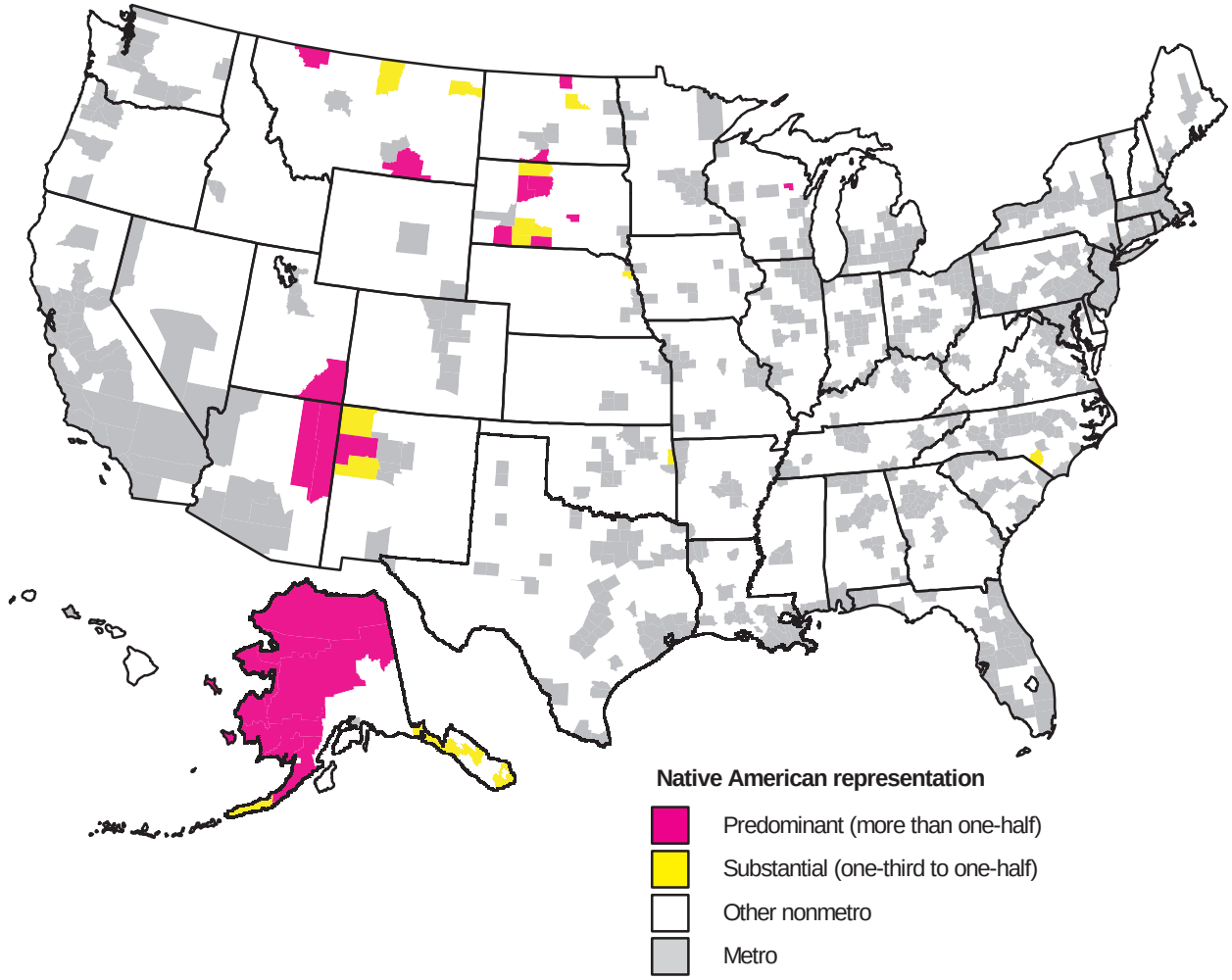
In contrast to Black and Hispanic counties, Native American counties tend to be thinly settled and far from major population centers. Only 14 percent of Native American counties are adjacent to a metro area, compared with 42 percent of all rural counties, and less than one-half contain a city or town of 2,500 or more people, compared with two-thirds nationally. This geographical isolation combines with a long history of discrimination to create economic hardship on many reservations, where opportunities for work have been typically limited to low-wage manufacturing and seasonal or part-time consumer service jobs. In recent years, tribal sovereignty has given Native American groups a level of economic self-determination not available to other minority groups and allowed them to undertake a variety of private enterprise ventures, including tourist-related gaming. For now, however, the potential for such economic development projects to alleviate the high levels of poverty found in many of these Native American counties remains largely untapped.

### Hispanic Counties Are Clustered in the Rio Grande Valley

One-half million Hispanics live in rural counties where they make up more than one-half of the population. Most of these predominantly Hispanic counties lie near the Rio Grande, along the entire length from its headwaters in southern Colorado to the Gulf of Mexico (fig. 3). Other areas of Hispanic concentration include California's Central and Imperial Valleys and the southern High Plains of Texas and New Mexico. Substantial Hispanic counties tend to be farther from the core of Hispanic settlement in the Rio Grande Valley and in more sparsely settled territory. Although there are more substantial Hispanic counties compared with predominant counties, far fewer Hispanics live in them.

European settlement of the Rio Grande Valley originated from Mexico, and the area was well populated by the time it became part of the United States. The Valley was and is a cultural crossroads so that many Hispanic counties also include sizable American Indian populations. Hispanic settlement in the High Plains and in California grew following the

Figure 2
**Rural Native American counties, 1990**
*American Indians, Eskimos, and Aleuts are concentrated in a few very isolated settings*




Source: Calculated by ERS using data from the 1990 Census of Population, Bureau of the Census.

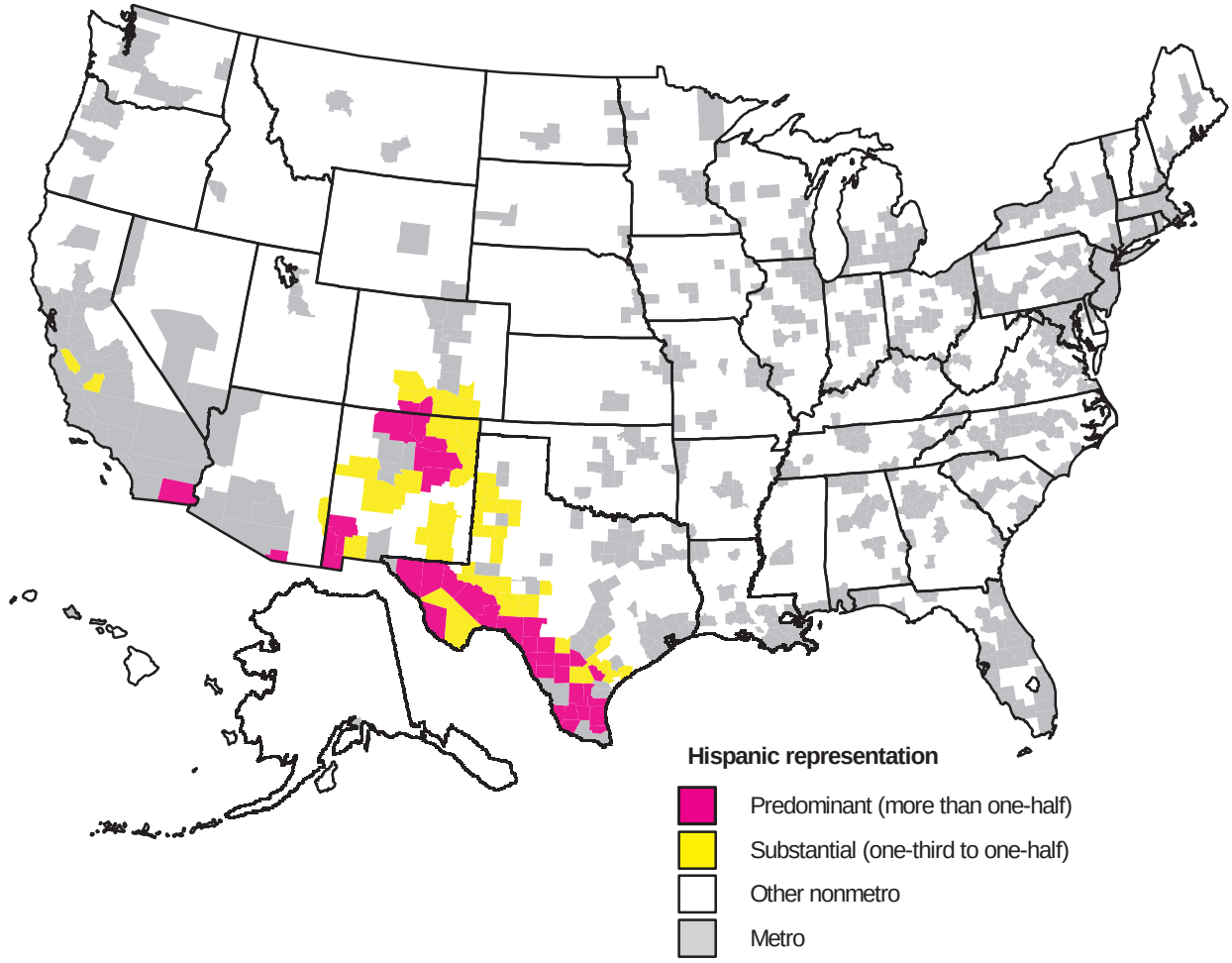
introduction of large-scale irrigated agriculture early in this century. From the outset, these enterprises depended on the low-cost mobilization of Mexican-American and immigrant farm laborers. Unlike rural Blacks, a large percentage of rural Hispanics still work in farming, the vast majority as relatively low-paid, seasonally hired farmworkers and not full-time operators. They still make an essential contribution to western agriculture despite widespread mechanization.

Hispanics are the fastest growing rural minority group, and new growth is occurring both in and far from Hispanic areas in the Southwest. Agricultural areas in Washington, ski resorts in Colorado, and meatpacking centers in Kansas, Nebraska, and Iowa have seen new or greatly expanded Hispanic settlement since 1990.

### Minority Counties Have Higher Poverty Gap

Rural poverty is found throughout the country and is less concentrated than in urban areas. Nonetheless, the incidence of poverty is quite severe in minority counties, especially in predominantly Black and Native American counties where it reached nearly 50 percent in 1989 (fig. 4). Whereas minority poverty increases substantially with increasing

Figure 3
**Rural Hispanic counties, 1990**
*Most rural Hispanic counties lie in or near the Rio Grande Valley*



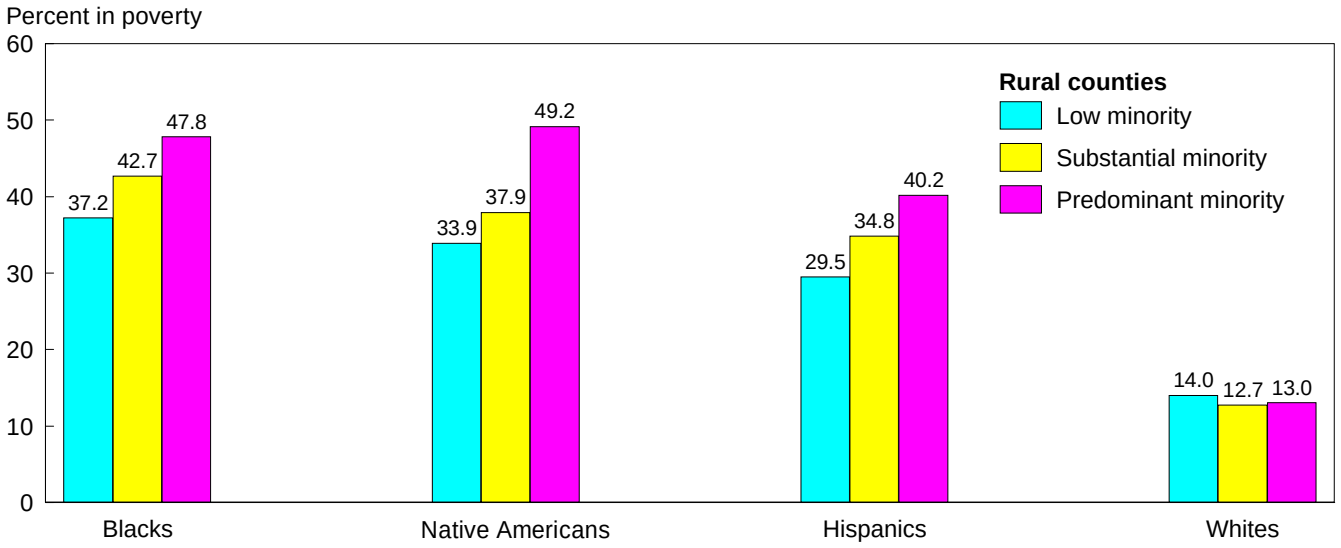

Source: Calculated by ERS using data from the 1990 Census of Population, Bureau of the Census.

minority presence, the poverty rate of Whites remains essentially the same, suggesting greater income inequality in minority counties. Ninety percent of predominantly minority counties were also persistent-poverty counties, as defined by the ERS typology, compared with 15 percent for other rural counties (app. table 3).

This new ERS typology of Black, Native American, and Hispanic rural counties is meant to help researchers and policymakers investigate some of the complex structural factors that contribute to rural economic well-being. Although each minority group has a unique history and rich cultural diversity, the areas where many of them live share similar problems based on geographical, social, and economic isolation. If we were to look within these minority counties, we would find additional separation by race and ethnicity at the municipal and neighborhood level that, in most cases, signals comparative economic disadvantage for the minority groups involved. Increasingly, rural Blacks live in predominantly Black towns; Hispanic workers and their families in small, marginalized settlements known as “colonias”; and most rural American Indians in or near geographically isolated reservations. These communities typically must deal with poor housing, limited transportation, inferior public services, few industries tied to the outside economy, and few retail and other service establishments. Rural policy that addresses the unique economic

concerns of geographically isolated minorities would benefit by focusing on infrastructure needs and the delivery of basic services provided by public and private institutions serving these communities. *[John B. Cromartie, 202-694-5421, jbc@econ.ag.gov]*

Figure 4
**Poverty rates by race and ethnicity in rural counties, 1989**
*Minority poverty increases with concentration*




Note: See p. 8 for definition of minority concentration areas and p. 118 for definition of poverty.
Source: Calculated by ERS using data from the Bureau of the Census.

# Nonmetro Population Rebound: Still Real but Diminishing

*From 1995 to 1997, population growth in nonmetro America fell from its pace of the preceding 2 years, while metro growth held steady. Yet, rural and small-town areas continued to see some net inmovement of people. Counties where minorities have the greatest concentration diverged from the overall nometro growth pace, either toward faster growth in Native American and Hispanic areas or slower change in Black areas.*

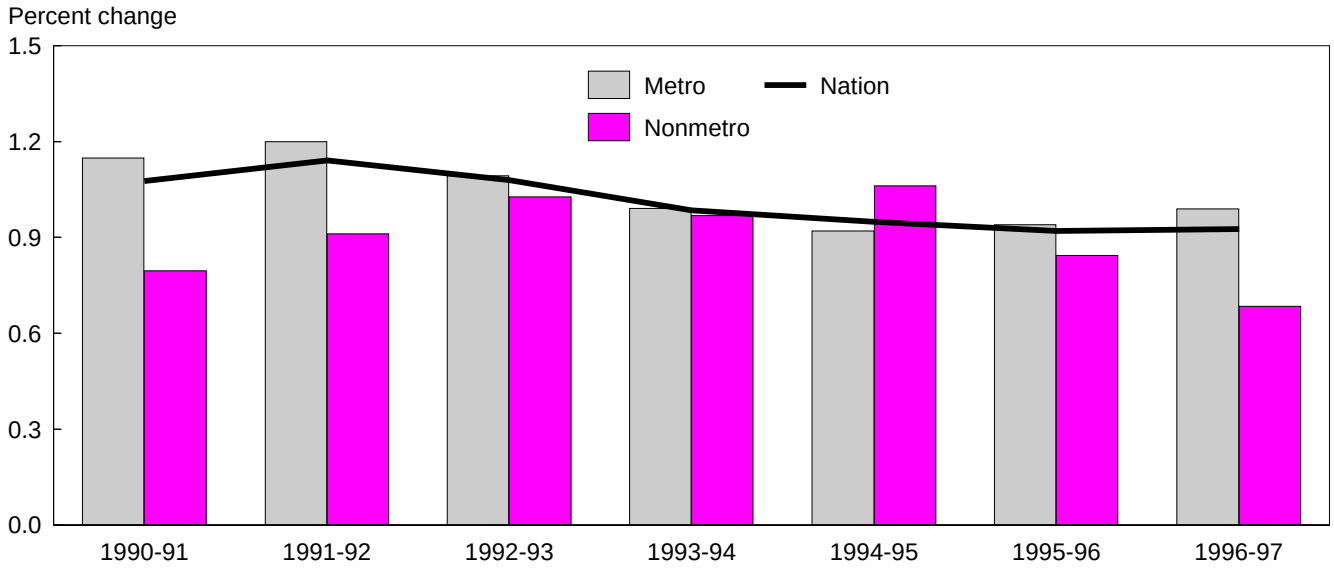
The major demographic news for rural and small-town America in the 1990's has been the rebound of population growth and the resumed net inmovement of newcomers from metro areas. Almost three-fourths of all nonmetro counties grew in population from 1990 to 1997, whereas only half did so in the 1980's. And the great majority of the growing counties (seven-eighths) derived some or all of their increase from inmovement of former metro residents and/or foreign immigrants. This is a far cry from the conventional pattern of the past and of the 1980's, when rural communities were viewed as places of chronic exodus to the cities.

In the most recent period—July 1, 1995, to July 1, 1997—however, nonmetro growth slowed somewhat, with fewer counties having population increase and net inmigration than in the first half of the decade. Part of this slowdown corresponds with a modest reduction in growth rate of the U.S. population as a whole since the early 1990's, but more of it derives from a slackened pace of nonmetro growth relative to that in metro areas. For just 1 year, 1994-95, nonmetro areas grew more rapidly than metro areas, but since then nonmetro growth has fallen by a third while metro growth has risen slightly (fig.1).

Yet it is equally important to note that the slower nonmetro growth of 1995-97 still exceeded that obtained from natural increase alone (that is, surplus of births over deaths) and continued to depend on significant net inmigration. Of the nonmetro population gain in those 2 years, about 400,000 out of 800,000 came from inmovement of people from metro areas and another 100,000 from foreign immigration.

The causes of the slowdown cannot be stated definitively, as many people who have moved into rural and small-town places have done so for noneconomic, quality-of-life reasons, the changing strength of which is not readily measured by available indicators. It is clear, though, that the somewhat more than half of nonmetro counties that do not adjoin metro areas (and thus are more on their own economically) have been the most affected.

Figure 1
**Annual population growth rates for metro counties, nonmetro counties, and the Nation, 1990-97**
*Nonmetro growth has fallen since 1995, while metro growth has edged upward*




Source: Calculated by ERS using data from the Bureau of the Census.

Just 58 percent of them grew in population during 1995-97 compared with 69.5 percent during 1993-95. By comparison, 78 percent of metro-adjacent counties grew during 1995-97, just a minor drop from 80.5 percent during 1993-95. The disproportionate post-1995 falloff in growth in counties not adjacent to metro areas also means that this change was very noticeable among farming-dependent counties, for they constitute many of the more remote counties. By 1995-97, slightly less than half of the farming-dependent group (49 percent) were still increasing.

The recent downward shift in nonmetro population change is consistent with trends in employment. For the 2-year period 1995-97, nonmetro employment rose just 1.8 percent after an increase of 4.5 percent in the previous 2 years. In contrast, metro areas showed no drop in employment growth during this time. Employment in counties not adjacent to metro areas rose by just 1.5 percent, barely a third of the 4.4-percent rise in the previous 2 years. In counties adjacent to metro areas, the rate fell to 2.0 percent from an earlier 4.6 percent during the peak recovery period from the early 1990's recession.

### Western Growth Still Leads the Country

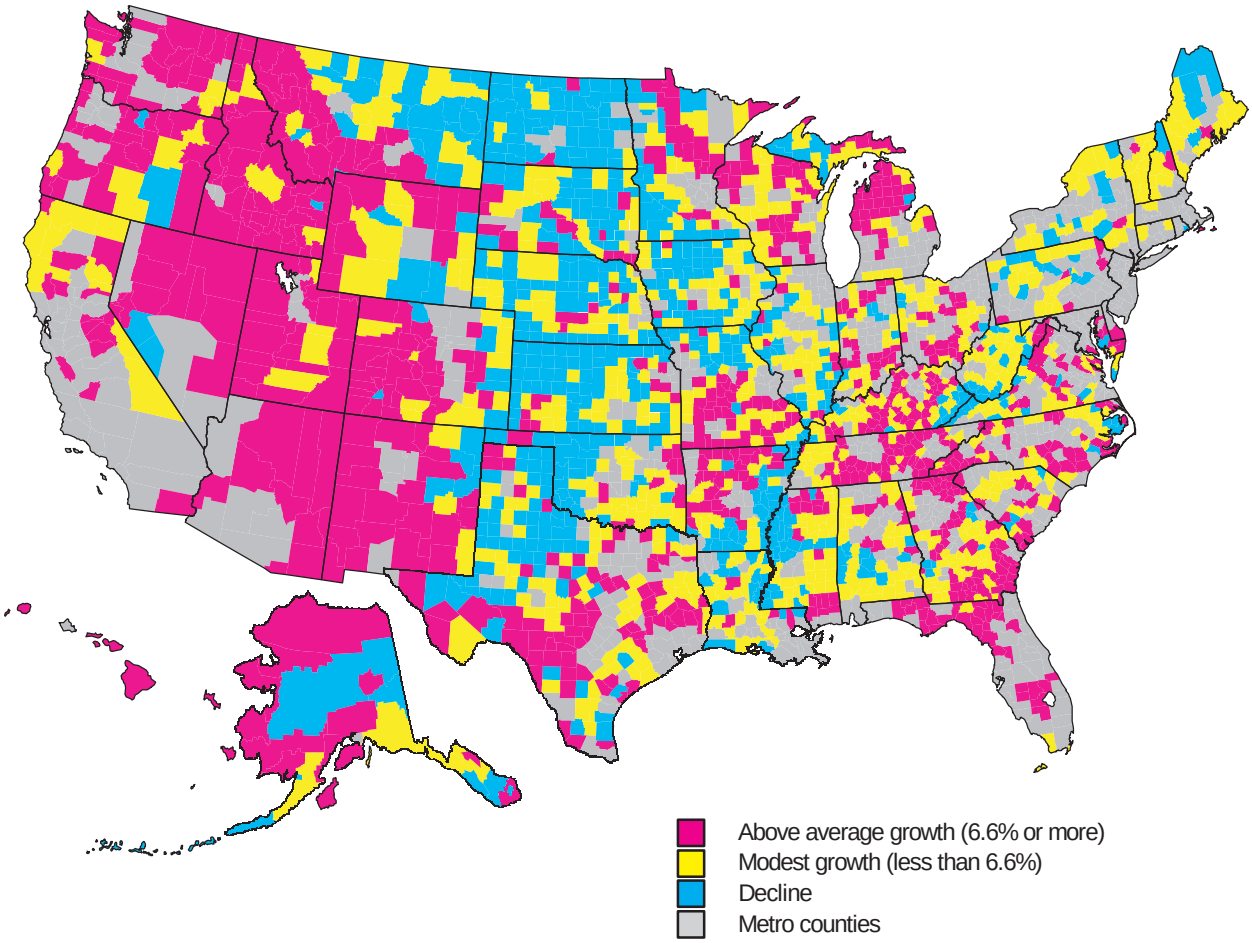
The pace of rural and small-town population change in the West continues to far outstrip that in other regions, with 15-percent growth since 1990, a rate triple that of the rest of the country (table 1 and fig. 2). Growth, supported by extensive inmigration, has been almost universal from the Rocky Mountain Front Range to the Pacific Coast. The nonmetro growth rate in the West exceeds that in the metro population of the region, a major change from the 1980's. Much of this increase seems attributable to people moving into the Mountain West for nonpecuniary reasons, whether they remain employed or are retired. The Northeast is a second region where nonmetro areas have the higher growth

Table 1
**Regional population change, 1980-97**
*The West and South dominate nonmetro population growth*

| | Population | | | Change | | Net migration rate | | Net migration rate | |
|---|---|---|---|---|---|---|---|---|---|
| Region | 1997 | 1990 | 1980 | 1990-97 | 1980-90 | 1990-97 | 1980-90 | 1990-97 | 1980-90 |
| | Thousands | | | Percent | | Thousands | | Percent | |
| United States | 267,636 | 248,765 | 224,930 | 7.6 | 10.6 | 6,151 | 5,274 | 2.5 | 2.3 |
| Nonmetro | 54,276 | 50,904 | 49,398 | 6.6 | 3.0 | 2,043 | -1,373 | 4.0 | -2.8 |
| Metro | 213,360 | 197,861 | 175,532 | 7.8 | 12.7 | 4,108 | 6,647 | 2.1 | 3.8 |
| Northeast | 51,588 | 50,828 | 49,137 | 1.5 | 3.4 | -1,112 | -612 | -2.2 | -1.2 |
| Nonmetro | 5,402 | 5,267 | 5,018 | 2.6 | 5.0 | 30 | 45 | .6 | .9 |
| Metro | 46,187 | 45,561 | 44,119 | 1.4 | 3.3 | -1,142 | -657 | -2.5 | -1.5 |
| Midwest | 62,460 | 59,669 | 58,867 | 4.7 | 1.4 | 278 | -3,050 | .5 | -5.2 |
| Nonmetro | 16,571 | 15,978 | 16,310 | 3.7 | -2.0 | 310 | -1,047 | 1.9 | -6.4 |
| Metro | 45,890 | 43,691 | 42,557 | 5.0 | 2.7 | -33 | -2,003 | -.1 | -4.7 |
| South | 94,187 | 85,456 | 73,755 | 10.2 | 15.9 | 4,564 | 4,282 | 5.3 | 5.8 |
| Nonmetro | 23,893 | 22,360 | 21,554 | 6.9 | 3.7 | 982 | -461 | 4.4 | -2.1 |
| Metro | 70,294 | 63,095 | 52,201 | 11.4 | 20.9 | 3,582 | 4,743 | 5.7 | 9.1 |
| West | 59,400 | 52,812 | 43,171 | 12.5 | 22.3 | 2,421 | 4,654 | 4.6 | 10.8 |
| Nonmetro | 8,410 | 7,299 | 6,516 | 15.2 | 12.0 | 720 | 90.0 | 9.9 | 1.4 |
| Metro | 50,990 | 45,513 | 36,655 | 12.0 | 24.2 | 1,701 | 4,564 | 3.7 | 12.5 |

Note: See appendix for definitions of regions.
Source: Calculated by ERS using data from the Bureau of the Census

Figure 2
**Nonmetro population change, 1990-97**
*Wide geographic variation still prevails*




Source: Calculated by ERS using data from the Bureau of the Census.

rate, but in great contrast to the West, both metro and nonmetro populations are growing at a very slow pace, below that of the 1980's. In this respect, the Northeast is unique in not having any nonmetro demographic rebound in the 1990's.

In both the Midwest and the South, poor economic conditions in the 1980's were accompanied by extensive outmigration of rural and small-town people, even to the point of outright regional population decline in the Midwest. These regions have shifted to moderate and more widespread increases, with net inmovement in the 1990's thus far. This generalization has notable exceptions, though. The Great Plains portion of each region continues to have large areas of loss, as do many parts of the Corn Belt, the Mississippi Delta, and the Southern Coal Fields. But such losses are now usually modest. They have been more than offset by growth nodes, such as the Ozarks, the Upper Great Lakes, the Southern Blue Ridge Mountains, anywhere in Florida, and areas tributary to such metropolises as Washington, Atlanta, Nashville, or Houston.

### County Functions Remain Linked to Demographic Change

In this decade, counties that can be described as retirement destinations have consistently outrun all others in their rate of population gain (app. table 4). Such counties number

just 8 percent of all nonmetro counties, but with a growth rate two and a half to three times as high as other counties, they have acquired 30 percent of total nonmetro growth since 1990. They have not been exempt from the reduced growth that has affected all types of nonmetro counties since 1995, but have retained their pace more so than most others, and they are the only type to continue averaging better than 2.0-percent increase annually. It needs to be stressed that the retirement areas are very attractive to people of younger ages as well, for these areas often have natural or other amenities of general appeal. Their population under age 65 rose by 19 percent from 1990-97, almost as high as the 20-percent growth for people 65 and over.

The greatest consistency in very recent trends compared with those in 1993-95 has been among manufacturing counties and commuting counties. Areas specialized in manufacturing at the beginning of the decade have the largest population (16.7 million) of any of the types defined by ERS, with three-tenths of the entire nonmetro population. Their growth rate has been steadily at or near the national nonmetro average, and from 1995 to 1997, their growth was 86 percent of the 1990-95 rate. They have seldom been a source of major growth in the 1990's, but neither have they been subject to the declines incurred by so many farming or mining areas. The commuting counties (about a fifth of which are also manufacturing areas) presumably have sustained their growth levels since 1995 because so many draw new residents from nearby metro areas.

Farming and mining-dependent counties, which already had the lowest aggregate population growth rates in the first half of the 1990's, have been the most strongly affected by the downturn in nonmetro growth since 1995. In the mining counties, the increase from 1995 to 1997 was just 40 percent of the rate of 1993-95, and the farm counties slipped to a rate just 63 percent of that of the prior 2 years. Both county types have been focused on industries undergoing employment loss from improved labor productivity, and, in the case of mining, from local depletion of marketable reserves. But we do not know of specific events during 1995-97 that may have triggered such a reduction in population growth, other than the improved state of the metro economy, which may have attracted residents of the farming and mining counties, and increased retention of people in metro areas in general.

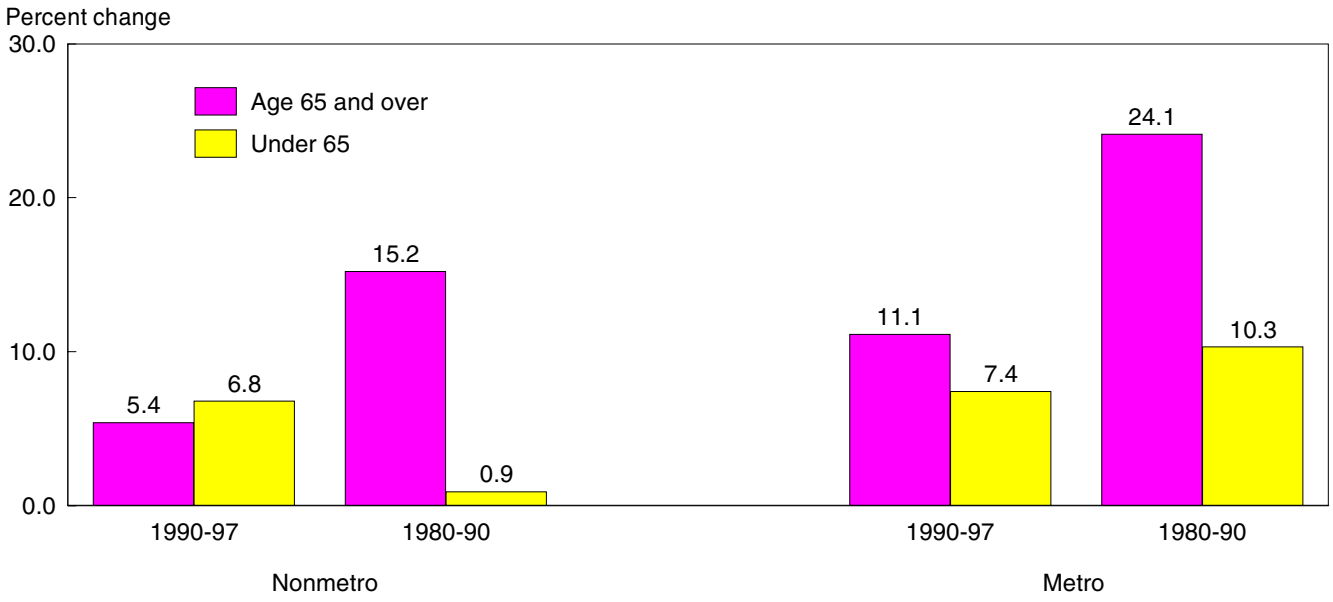
Nearly a fourth of nonmetro counties have had persistently high incidence of poverty, with 20 percent or more of the population poor in each of the last four censuses, 1960-90. As a class, these counties grew in population by 5.5 percent during 1990-97. Although this is a rate of increase below that of all other counties, it still involved net inmigration in a majority of cases. Thus, high local poverty has not necessarily been a barrier to retaining residents and attracting newcomers in this decade. In some cases, recent population growth in these areas has been accompanied by equal or higher income increases; in other instances, it has not.

### Growth of Older Population Slows and in Many Places Ends

We noted in the 1997 socioeconomic conditions issue of *RCaT* that the number of people aged 65 and over in nonmetro areas was no longer increasing as rapidly as the population below that age, and that this was in distinct contrast with the metro population. This trend has continued, despite the concurrent rapid inmovement of older people—many from metro places—into nonmetro retirement counties. From 1990 to 1997, the older nonmetro population rose by just 5.4 percent, compared with a 6.8-percent increase among those under 65 (fig. 3), despite a substantial influx of older metro retirees into a number of nonmetro counties. A closer look shows that this pattern first occurred in the July 1, 1992-July 1, 1993, period and has widened since.

The provisional 1997 estimates reveal outright declines of older persons in over 900 nonmetro counties since 1990, an increase of more than 90 counties just since 1996. In farming-dependent counties, the total number of older people has fallen in all but 1 year since 1993, and in mining counties, the number fell for the first time in 1997. The proportion of the population at age 65 and over in the farming counties slipped from 16.9 percent in 1990 to 16.1 percent in 1997, a drop remarkable not so much for the amount of decline but for

Figure 3
**Growth of population 65 years and over and under 65, 1980-97**
*During the 1990's, the nonmetro older population has grown more slowly than in metro areas and during the 1980's*




Source: Calculated by ERS using data from the Bureau of the Census.

the fact that it happened at all, given the common image of farm-dependent areas as places of ever-rising age. But the trend has not been limited to very rural counties. Many areas that have small cities and that function as trade and service centers for agricultural districts or have manufacturing dependence have also shown a drop in persons 65 and over.

Persons reaching age 65 in 1997 were born in 1932, during the heart of the Great Depression, when the birth rate was nearly at its lowest. This fact contributes to a slowing of the increase in the number of older people everywhere. But, the current declines in elderly population in hundreds of rural counties are believed to reflect the extensive outmovement of young adults from these counties in earlier decades at the peak of the decline in number of farms. Such cohorts were sufficiently depleted from this process that they are now too small to fully replace deaths of older people. Outmigration of persons of retirement age from farming counties adds to the trend, but is not a new factor. The current widespread slow growth or decrease in nonmetro older population will almost certainly moderate or end when the “baby boomers” begin to enter old age after 2006. Then increasingly after 2011, both the number and proportion of nonmetro elderly should rise as the largest cohorts of “baby boomers” reach 65.

### Minority Counties Vary from National Patterns of Nonmetro Change

Data are not available to estimate reliably the current population of minorities in most counties. But all of the principal minorities have a continued degree of geographic concentration, based on historical settlement patterns. Thus, it is informative to determine current overall trends in the areas where they are relatively most numerous.

As a whole, nonmetro counties with large percentages of Black residents have had either modest population increases in the 1990's or declines. Their overall change was just 1.1 percent in majority Black counties and 4.2 percent in those where between a third and a half of residents were Black in 1990 (table 2). Such counties are almost all found in the Southern Coastal Plain, from Virginia to Texas. Local economies have been more sup-

portive of population retention in those areas of the Atlantic States than in those of the Gulf South.

In the counties of the Mississippi Delta that have large Black minorities, modest population decline continues to be the dominant pattern. These prime agricultural areas are all classed as places of persistent high poverty and have yet to develop sufficient alternatives to farm-related work. Delta counties in which Blacks comprised a third or more of the population experienced 33,000 net outmigration of people during 1990-97, whereas all other Black counties in the South collectively had about 32,000 net inmovement. The Delta counties are a major exception to the more common pattern elsewhere of at least moderate growth and inmigration in persistent-poverty areas. Natural increase from births in the Black-inhabited areas of the rural South is still above that of heavily White areas, but is reduced from the past and much below that prevalent in other minority counties (fig. 4).

The predominantly American Indian or Alaskan Native counties have increased in population by 13.7 percent since 1990, a rate far above the national average. In most of these areas, the Native American proportion of the total rose between 1980 and 1990, and this trend is thought likely to have continued in the 1990's. In absolute numbers, the largest populations in the counties with Indian predominance are those of the Navajo and other tribes in the Four Corners region of the Southwest, plus the Sioux and other reservation groups of the Northern Plains. Such areas have high rates of growth from natural increase (averaging over 13 percent for 1990-97) that result from their young age structure and larger-than-average families. By contrast, in the nonmetro United States as a whole, natural increase provided just 2.6 percent growth. The Indian and Alaskan Native areas have collectively lacked any significant population change from net migration since 1990. This near balance between in- and outmovement follows a period of substantial exodus during the 1980's.

Table 2

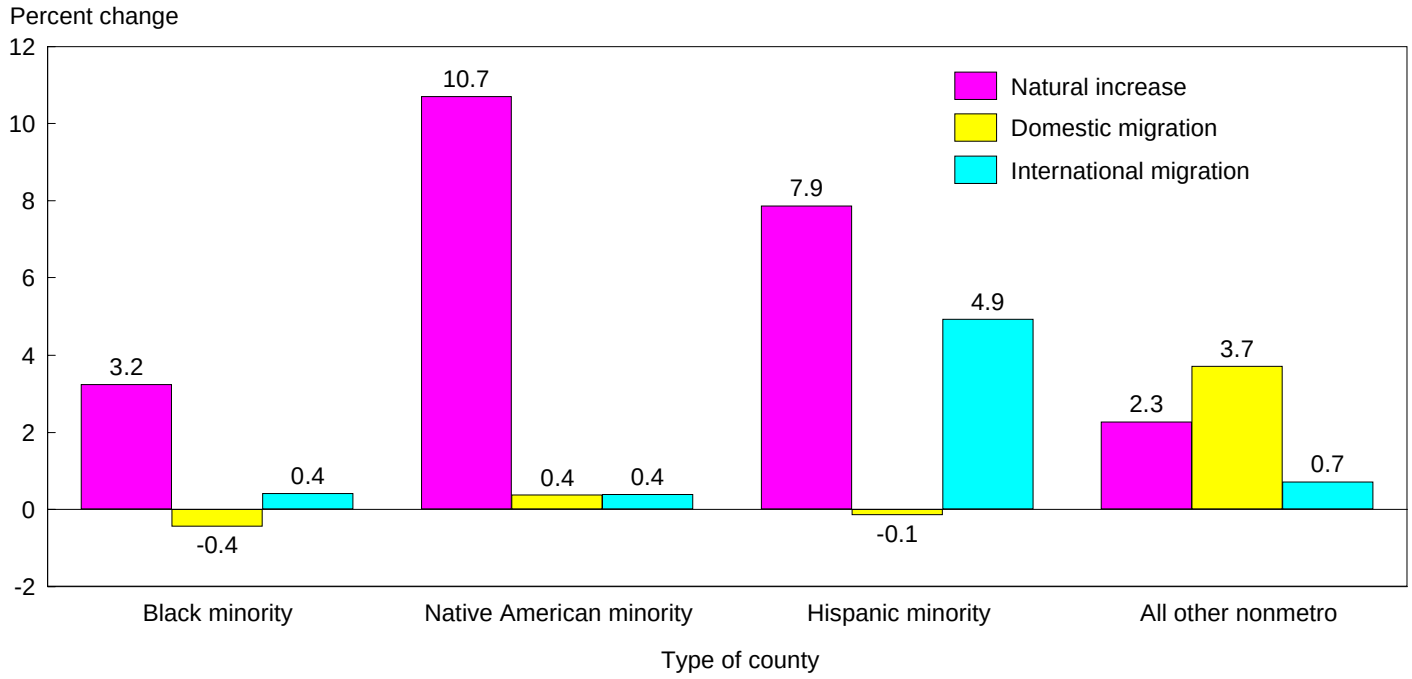
**Nonmetro areas' population change, by 1990 ethnic composition, 1980-97**

*Areas with minority population concentrations participate in rebound*

| | Population | | | Change | | Net migration | | Net migration rate | |
|---|---|---|---|---|---|---|---|---|---|
| County type | 1997 | 1990 | 1980 | 1990-97 | 1980-90 | 1990-97 | 1980-90 | 1990-97 | 1980-90 |
| | Thousands | | | Percent | | Thousands | | Percent | |
| All nonmetro counties | 54,276 | 50,904 | 49,398 | 6.6 | 3.0 | 2,043 | -1,373 | 4.0 | -2.8 |
| Black: | | | | | | | | | |
| 50.0 percent or more | 1,361 | 1,347 | 1,408 | 1.1 | -4 | -33 | -170 | -2.5 | -12.1 |
| 33.3 - 49.9 percent | 3,018 | 2,896 | 2,860 | 4.2 | 1.3 | 32 | -148 | 1.1 | -5.2 |
| Under 33.3 percent | 49,897 | 46,661 | 45,131 | 6.9 | 3.4 | 2,044 | -1,055 | 4.4 | -2.3 |
| Native American: | | | | | | | | | |
| 50.0 percent or more | 385 | 338 | 301 | 13.7 | 12 | 1 | -37 | .3 | -12.3 |
| 33.3 - 49.9 percent | 323 | 296 | 287 | 8.9 | 3.1 | 4 | -30 | 1.3 | -10.5 |
| Under 33.3 percent | 53,569 | 50,270 | 48,809 | 6.6 | 3.0 | 2,038 | -1,306 | 4.1 | -2.7 |
| Hispanic: | | | | | | | | | |
| 50.0 percent or more | 796 | 683 | 615 | 16.5 | 11 | 45 | -23 | 6.6 | -3.7 |
| 33.3 - 49.9 percent | 808 | 741 | 718 | 9.0 | 3.1 | 22 | -53 | 3.0 | -7.4 |
| Under 33.3 percent | 52,673 | 49,480 | 48,065 | 6.5 | 2.9 | 1,975 | -1,297 | 4.0 | -2.7 |

Source: Calculated by ERS using data from the Bureau of the Census.

Figure 4
**Population change of nonmetro minority counties, by source, 1990-97**
*Growth comes largely from natural increase in minority counties and from migration elsewhere*




Source: Calculated by ERS using data from the Bureau of the Census.

In a manner similar to the pattern of other minorities, areas with one-third to one-half Native American composition had an overall growth rate that was intermediate between those with lower representation and those where the group was a majority.

The nonmetro Hispanic heartland has been in the basin of the Rio Grande, from southern Colorado to the gulf coast. All told, predominantly Hispanic counties grew in population by 16.5 percent during 1990-97, double the national nonmetro pace. Those with a third to a half of the population Hispanic had somewhat slower growth of 9.0 percent. More so than the Black or Native American populations, Hispanics have been rapidly developing other nodes of nonmetro settlement, thus increasing the number of communities where they comprise a significant portion of the population or will do so shortly. This has been true in the High Plains of Texas, where the development of irrigated farming, along with oil and gas work, drew them in during the last half century. In a 20-county bloc of such counties, Hispanics exceeded a third of the population by 1990. Total population levels there have been nearly static or declining since 1990, reflecting falling employment in farming and mining, and contrasting with other Hispanic areas. All of the Texas High Plains counties have had domestic net outmigration in the 1990's. But, all of them have had foreign immigration, thought to be largely Mexican, and the Hispanic proportions are believed to be still rising.

Perhaps the best-known recent instances of further Hispanic deconcentration have occurred in the Farm Belt following the opening of meat slaughtering and processing plants that require large numbers of low-wage workers not available locally. Often the majority of these workers are Hispanics, both native-born and immigrant. Their numbers do not reach high proportions yet, but over time, many seem likely to settle permanently and go into other occupations. Some well-known cases are Storm Lake, IA; Garden City, KA; and Lexington, NE.

The Hispanic counties as a group have more immigration than the Black or Native American areas. In fact, of the 69,000 total net inmovement to Hispanic minority counties, 99 percent of it resulted from immigration. These counties acquired a third of all foreign immigrants to nonmetro America, despite having just 3 percent of the total nonmetro population. A majority of the immigration to the Hispanic counties occurred in those that directly border Mexico. An equal amount of growth stemmed from natural increase, which is well above the national average, but not as much as that of Native Americans.

The central features of nonmetro demographic change in counties with large proportions of minorities can be summarized as follows:

- Such areas have participated in the 1990's rural rebound on the whole, with higher rates of population growth than seen in the 1980's, and a shift from net outmigration to inmovement in most cases.

- The components of change for the three types of minority areas vary. Hispanic areas have grown from both high natural increase and foreign immigration.

- Native American areas have grown from high natural increase also, but with negligible inmovement to supplement it.

- Black areas have largely ended their heavy outmigration of the past, except in the Delta, but are growing at only a low-to-moderate pace from natural increase. *[Calvin Beale, 202-694-5416, cbeale@econ.ag.gov]*

# Rural Areas Attract Young Families and College Graduates

*The rural population increased, especially in the South and West, due to net migration from urban areas. The largest rural gains were among people in early career ages (26-30), including many young families. College graduates were well represented among rural inmigrants—a trend that began in the early 1990's and represents an important reversal of the rural "brain drain" of earlier decades.*

During the 2-year period ending in March 1997, 3.8 million people moved into rural America from urban areas while 3.0 million moved in the opposite direction. The net rural gain of 415,000 persons per year is evidence of increased economic opportunity and residential amenities in rural areas and, at the same time, provides a human resource base for economic growth. In the rural-urban migration exchange, rural areas attracted a disproportionate share of young families and persons in early career years. Rural areas also attracted their fair share of college graduates, unlike earlier decades when rural areas lost a large proportion of their college graduates to urban areas. The rural South and West were the most popular migration destinations. Hispanics were over-represented in the rural migration gains, and the rural South recorded a net influx of Blacks from both the urban South and from cities outside the region.

### Highest Rural Migration Gains Were in Early Career Years and for Young Families

An average of 15 percent of rural residents moved each year during 1995-97 (table 1). Mobility was highest in the post-high school years (ages 18-25), with about 30 percent of people in that age group moving each year. Mobility during this stage of life is important for the development of human capital as people move to further their education and to explore and respond to job opportunities. Somewhat more than half of the moves were within the same county, but even some of these moves represented changes of employment or educational pursuit as did most of the moves between nonmetro counties and to and from metro areas.

Net movement into rural areas was highest in the early career period (ages 26-30), with rural areas gaining 2 percent per year. The 1.3-percent per year net rural gain for children ages 1-17 indicates that young families were well represented in this urban-to-rural migration. In the immediate post-high school period (ages 18-25), migration both into and out of rural areas was high, but net movement into rural areas was negligible. This is not surprising because many people move to cities or suburban areas to attend college after completing high school. Both mobility rates and net urban-to-rural migration were lower in

Table 1

**Average annual percentage of nonmetro residents who moved, by age, 1995-97**

*Mobility was highest during the post-high school years (18-25), but net migration into nonmetro areas was highest in the early career ages (26-30)*

| | Age group | | | | | | |
|---|---|---|---|---|---|---|---|
| Mobility/migration status | 1-17 | 18-25 | 26-30 | 31-40 | 41-64 | 65+ | All ages |
| | Percent | | | | | | |
| Total mobility of nonmetro residents[1] | 18.2 | 30.5 | 26.8 | 16.2 | 8.2 | 4.2 | 15.0 |
| Moved within same county | 10.9 | 18.6 | 15.7 | 9.4 | 4.4 | 2.3 | 8.8 |
| Moved between nonmetro counties | 3.1 | 5.2 | 4.0 | 2.7 | 1.4 | .8 | 2.5 |
| Moved from metro to nonmetro | 4.2 | 6.7 | 7.1 | 4.1 | 2.4 | 1.1 | 3.7 |
| Moved from nonmetro to metro | 2.9 | 6.5 | 5.1 | 3.4 | 1.7 | 1.0 | 2.9 |
| Net migration from metro to nonmetro | 1.3 | .2 | 2.0 | .7 | .7 | .1 | .8 |

[1]Total mobility is the percentage of the current nonmetro residents who moved during the previous year, whether within the same county, between nonmetro counties, or in from a metro area.

Source: Prepared by ERS using data from the March 1996 and March 1997 Current Population Surveys.

mid- and late-career years, but the rural gain in these age groups was still substantial (0.7 percent per year). Mobility was lowest in retirement years (ages 65 and up), and the net rural gain of retirees was negligible.

Life-cycle migration patterns varied among regions. The highest net migration rates were into the rural South and West (table 2). Younger migrants dominated migration gains in the rural South, while workers in mid- and late-career years were predominant in the West. Migration gains in the rural Northeast were fairly uniform across the age spectrum. The Midwest was the only region that lost population through domestic migration, and its losses were mostly in the mid- and late-career age group. Retirement-age migrants moved, on balance, into the rural Northeast and South and out of the rural West. Net migration of retirement-age persons in the rural Midwest was negligible.

### Rural Migration Gains Include Fair Share of College Graduates, but High-Income Households Are Under-Represented

Recent migration patterns differ from those of previous decades in the educational composition of the migrant streams to and from rural areas. In the early 1990's, for the first time in many years, more college-educated people migrated into than out of rural areas (see "Rural-Urban Migration Patterns Shift" in *Rural Conditions and Trends,* vol. 6, no. 1, p. 11). This pattern continued and strengthened in the mid-1990's. Net rural inmigration of persons with a college degree increased from under 0.5 percent per year in 1992 and 1993 to about 1 percent per year in 1996 and 1997 (fig. 1). Average net rural migration gains for the 1995-97 period were similar for all education categories (fig. 2). In- and out-migration rates were higher for persons with more education, reflecting their generally higher mobility.

Comparing migration rates across income categories gives a picture somewhat at odds with the comparison of education categories, however. The poor (incomes below the

Table 2
**Nonmetro average annual net migration, by region, 1995-97**

*Rural areas in all four regions gained college graduates*

| Characteristic | Region | | | | Nonmetro |
|---|---|---|---|---|---|
| | Northeast | Midwest | South | West | U.S. |
| | | | Percent | | |
| Total | 0.38 | -0.16 | 1.40 | 1.32 | 0.81 |
| Age: | | | | | |
| 1-30 | .44 | -.02 | 2.12 | 1.22 | 1.16 |
| 31-64 | .29 | -.34 | 1.02 | 1.96 | .67 |
| 65+ | .51 | -.05 | .39 | -.52 | .14 |
| Educational attainment (age 25+): | | | | | |
| Less than high school graduation | .37 | -.10 | .86 | 2.75 | .79 |
| High school graduation | .65 | 0 | 1.49 | -.48 | .63 |
| Some college | -.46 | -.24 | .57 | 2.50 | .59 |
| 4-year college degree or more | 1.90 | .40 | .72 | 1.53 | .92 |
| Poverty status: | | | | | |
| Poor | 4.08 | -1.63 | 1.52 | 3.22 | 1.26 |
| Nonpoor | -.07 | .04 | 1.38 | .92 | .72 |

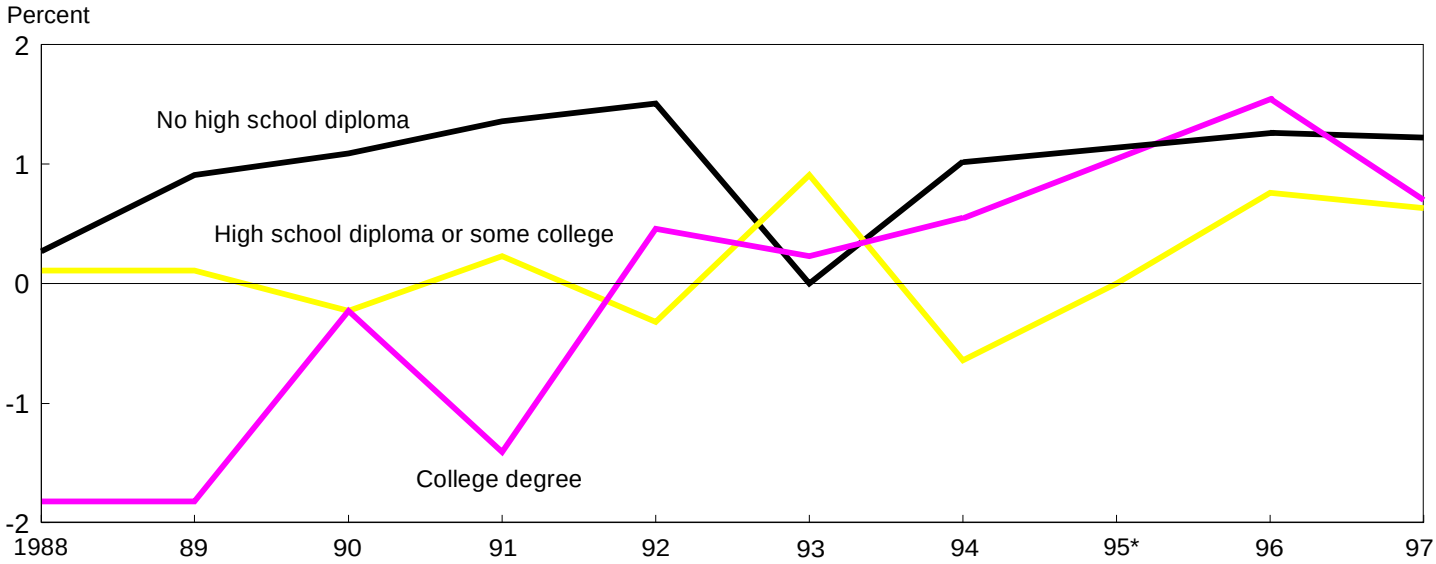
Notes: Table values are net migration exchange with all metro areas and with nonmetro areas in other regions.
See appendix for definition of regions, pp. 118-119.

Source: Prepared by ERS using data from the March 1996 and March 1997 Current Population Surveys.

Figure 1

**Change in the nonmetro population ages 25-64 from net migration, by education completed**

*Net migration of college-educated persons into rural areas has increased markedly in the 1990's*

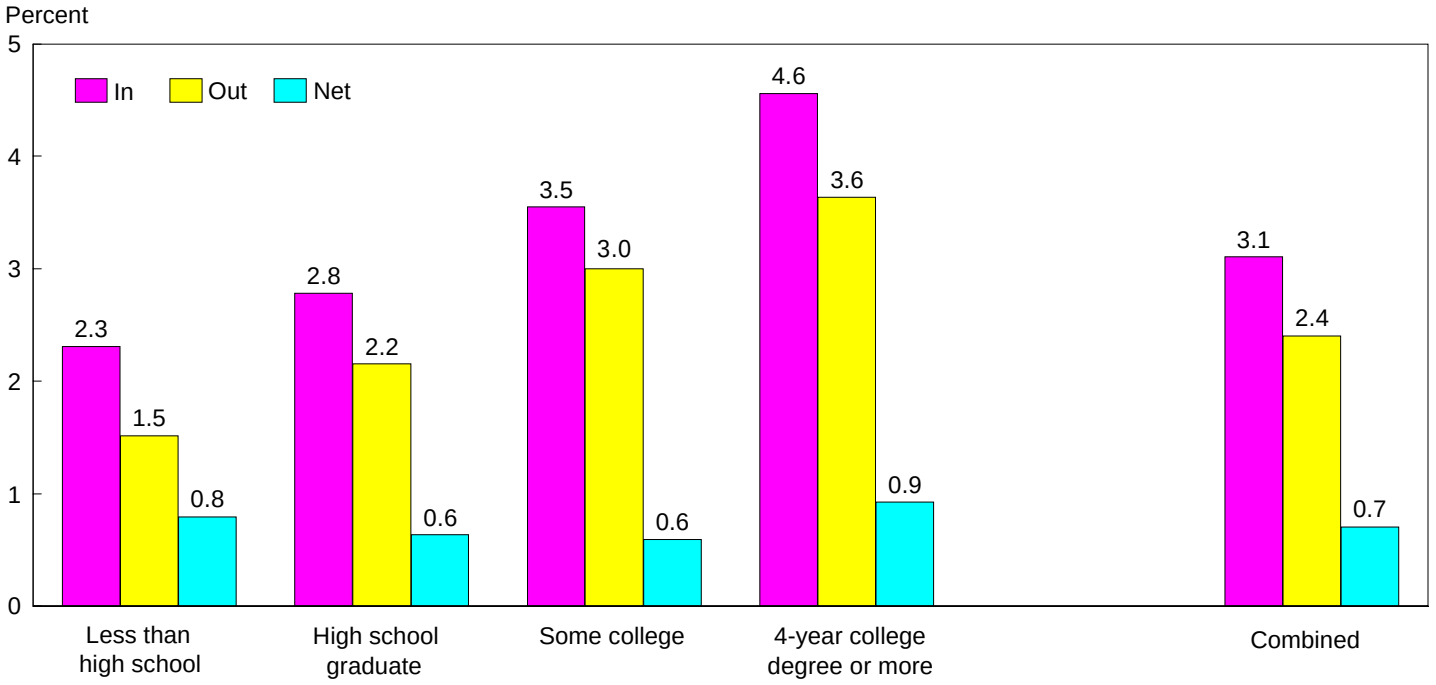



*Data not available for 1995.
Source: Calculated by ERS using data from the Bureau of Economic Analysis.

Figure 2

**Average annual domestic migration rates to nonmetro areas, by education, 1995-97 (persons age 25 and over)**

*People with more education were more mobile, but net urban-to-rural migration rates were similar for all education levels*




Source: Calculated by ERS using data from the March 1996 and March 1997 Population Surveys.

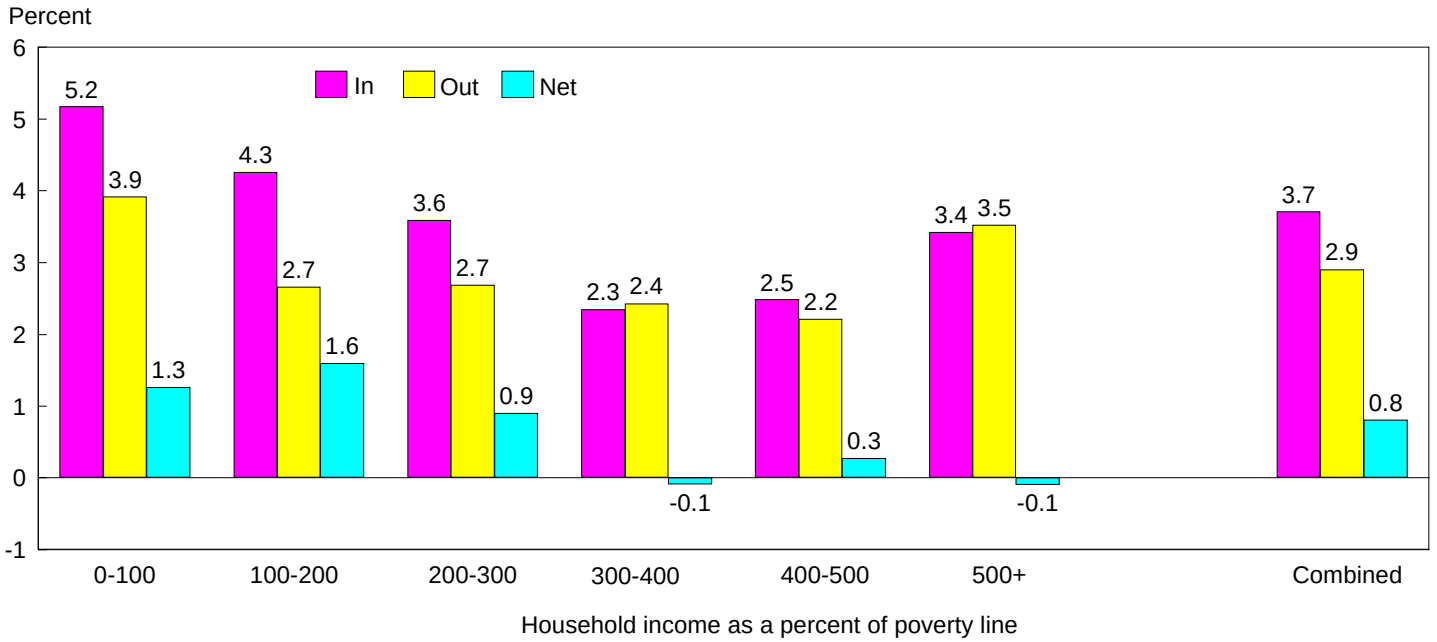
poverty line) migrated into rural areas at a net rate of 1.3 percent, those just above the poverty line (incomes from 100 to 200 percent of the poverty line) migrated in at a net rate of 1.6 percent, and those in the lower-middle income category (incomes from 200 to 300 percent of the poverty line) migrated in at a net rate of 0.9 percent (fig. 3). For households with income higher than 300 percent of the poverty line, net migration rates were near zero. Rural areas already had a disproportionate share of households with income less than 300 percent of the poverty line (see *Rural Conditions and Trends*, vol. 8, no. 2, p. 32), so this migration pattern further increased the rural-urban disparity in income. To some extent, this pattern reflects the inmigration of young families with their generally lower incomes.

The education and income-specific rural migration patterns described above were widespread geographically (table 2). Net migration of college-educated persons was positive in all four regions and exceeded that for the total regional population in all regions except the South. Net inmigration of the poor to rural areas exceeded that of the nonpoor in all regions except the Midwest, where the poor migrated out of rural areas, on balance. Inmigration of low-income households and persons with less than high school education was particularly high in the rural West (3.22 percent and 2.75 percent, respectively). This partly reflects adjustment to high international immigration of less educated persons to the urban centers of the West. The excess low-skill labor supply creates a migration "push" out of the cities. At the same time, robust service sector growth in fast-growing, high-amenity areas of the rural West creates a migration "pull" for less educated workers.

### Rural South Was Most Popular Migration Destination

Rural gains from domestic migration were concentrated in the South and West (fig. 4; see pp. 118-119 for description of regions). Of the annual average net rural gain of 415,000 persons, three-quarters was accounted for by the South and one-quarter by the West.

Figure 3
**Average annual domestic migration rates to nonmetro areas, by income level, 1995-97**
*Rural migration gains were highest among low- and middle-income households*

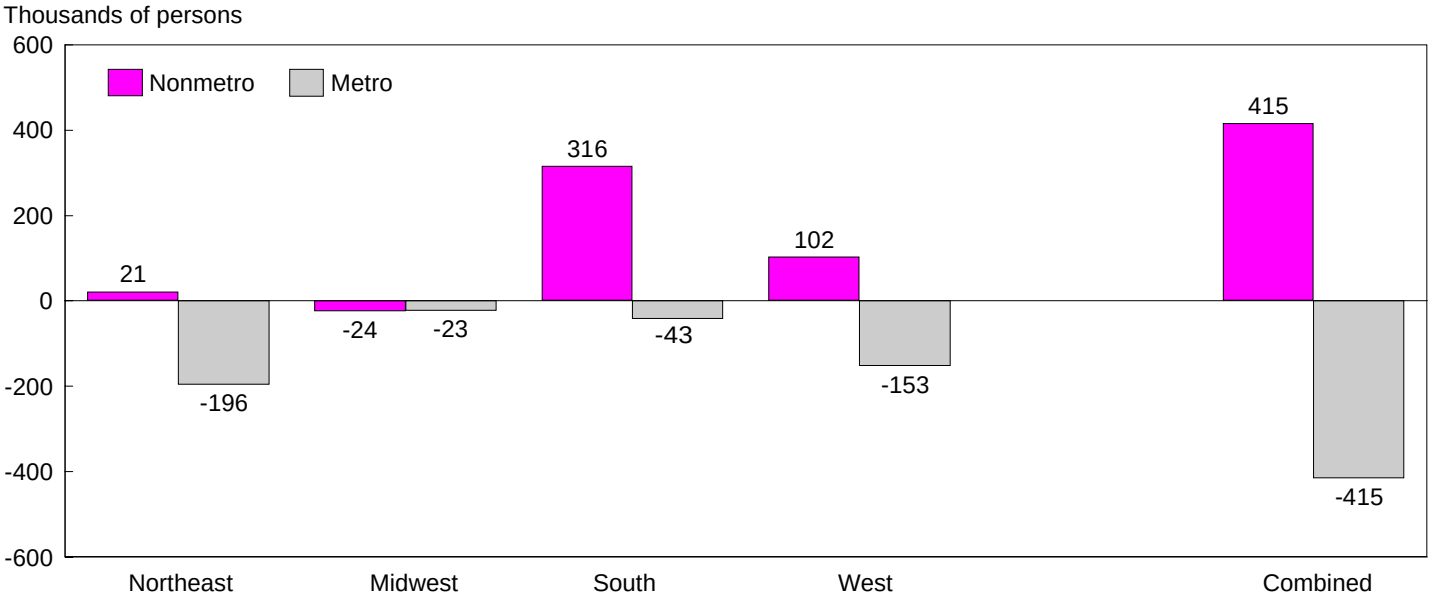



Source: Calculated by ERS using data from the March 1996 and March 1997 Current Population Surveys.

Figure 4

**Average annual net domestic migration, by region and residence, 1995-97**

*The rural South was the most popular destination for domestic migrants; metro areas in all four regions registered net outmigration as did the rural Midwest*




Source: Calculated by ERS using data from the March 1996 and March 1997 Current Population Surveys.

Urban areas in all four regions lost population through domestic migration, with the highest losses in the Northeast and West.

The large net influx to the rural South (1.4 percent per year) is unprecedented in recent decades. A detailed examination of migration flows (not shown here) reveals that most of the gain in the rural South was the result of net exchange with the urban South. Smaller gains to the rural South came from net exchange with urban areas outside of the South and from the rural Midwest. Within the rural South, Texas and Georgia were the most popular migration destinations.

### Net Rural Inmigration Highest for Hispanics

The racial and ethnic composition of the migrant streams to and from rural America resembled that of the resident rural population, except that Hispanics were over-represented among the urban-to-rural migrants (fig. 5). This resulted in a net annual migration gain of 2.4 percent for rural Hispanics. International immigration of Hispanics (not shown) contributed an additional 2.0 percent to the rural Hispanic population, although this was partially offset by an unknown amount of international emigration. Given these migration rates and the relatively high rate of natural increase (excess of births over deaths) of rural Hispanics, it is not surprising that they constitute the fastest growing racial-ethnic group in rural America.

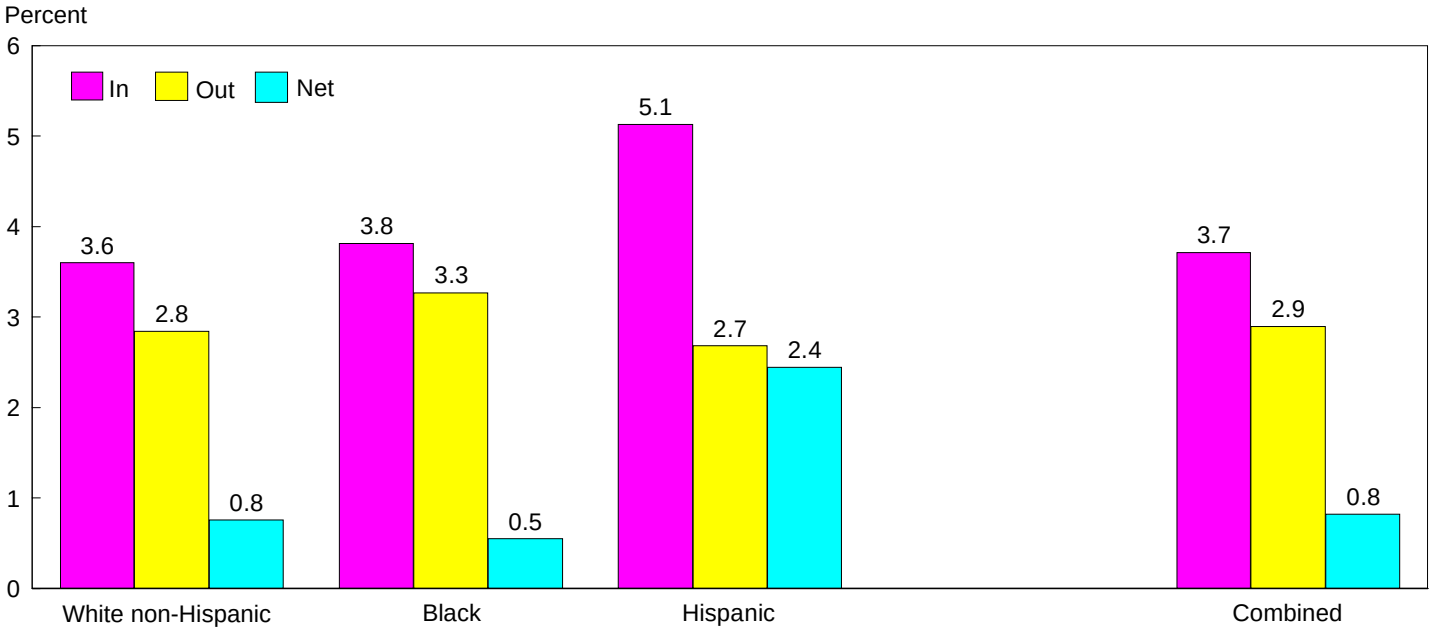
### Blacks Returning to the Rural South

For several decades, Blacks migrated, on balance, out of the rural South, going mostly to urban industrial centers both in and out of the region. In recent years, that trend has reversed, and during the 1995-97 period, Black inmigration to the rural South exceeded outmigration by 29,000 persons per year. Almost all of the Blacks moving into the rural South came from the urban South (fig. 6). This is a new pattern. Since the 1970's, the

Figure 5

**Average annual domestic migration rates to nonmetro areas, by race and ethnicity, 1995-97**

*Urban-to-rural migration was much greater for Hispanics than for non-Hispanic Whites and Blacks*

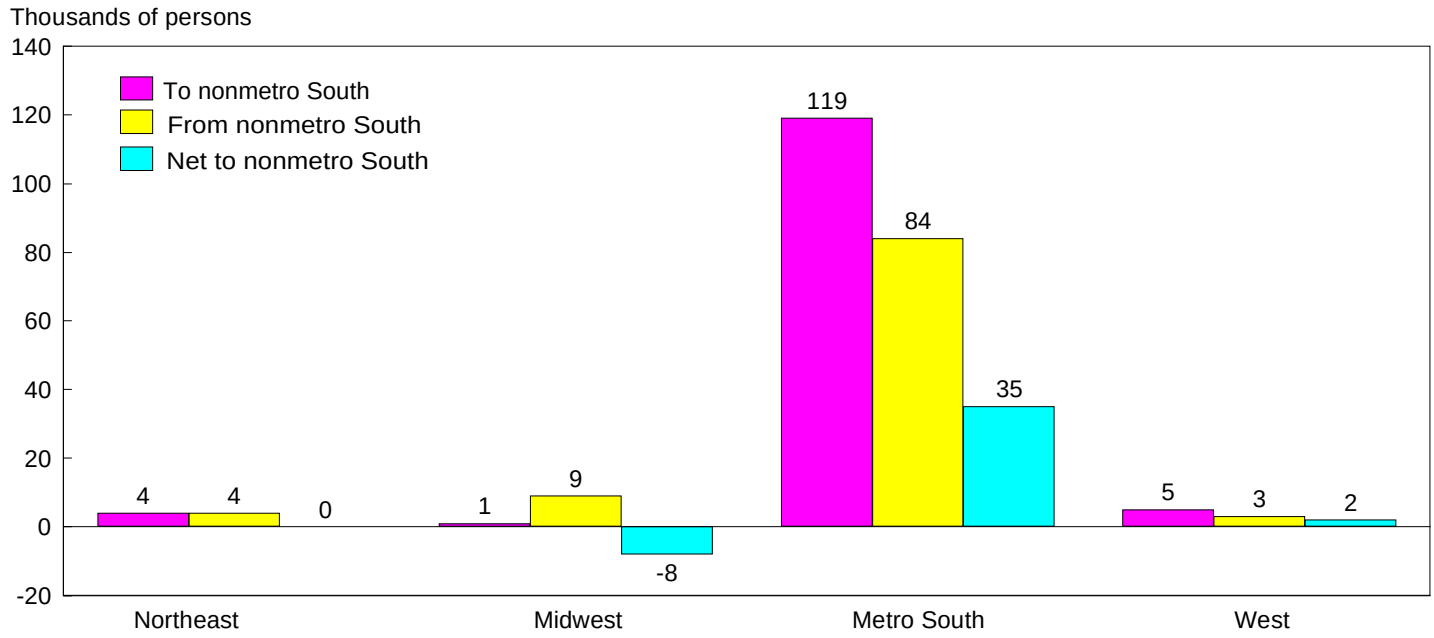



Source: Calculated by ERS using data from the March 1996 and March 1997 Current Population Surveys.

Figure 6

**Average annual migration of Blacks to and from the nonmetro South, 1995-97**

*The overwhelming majority of Black migration to the rural South was from the urban South*




Source: Calculated by ERS using data from the March 1996 and March 1997 Current Population Surveys.

rural South has gained Black population from urban centers outside the South, but not previously from the urban South. This trend should be interpreted cautiously, however, until confirmed by an additional year of survey data. Net migration is a small difference between two much larger migration streams—inmigrants and outmigrants—and can fluctuate considerably from year to year. Estimates based on sample surveys can also fluctuate even when actual net migration is stable. *[Mark Nord, 202-694-5433, marknord@econ.ag.gov; John Cromartie, 202-694-5421, jbc@econ.ag.gov]*

**About the Data**

These migration statistics are based on data from the Current Population Surveys of March 1996 and March 1997, which together provide data on migration during the period 1995-97 (see appendix, p. 115, for information on the Current Population Survey). Combining two annual surveys increases the reliability of the migration estimates. We concentrate in this article on domestic migrants, and especially on those who moved between rural and urban areas. International immigration contributed an additional 100,000 persons per year to rural areas, and 1.2 million persons per year to urban areas. However, international immigration is partially offset by emigration out of the United States to other countries, and the extent and character of migration to other counties is not captured by this survey of U.S. households.

# Socioeconomic Circumstances of Minority Elderly Differ from Those of White Elderly

*Current Population Survey data from 1997 show that a smaller proportion of the minority population is age 60 and older than is the White population in both metro and nonmetro areas. Minority elders are less likely than Whites to rate their health as excellent or very good. Black elders are more likely to be widowed and living alone than are White elders, increasing the likelihood of poverty. A larger share of minority elders are poor or near poor than are their White counterparts, especially in nonmetro areas.*

Because the U.S. population is aging, older Americans will have a greater impact on social and policy issues. The older population itself is a diverse group, and one elderly person's health, social, and economic circumstances may differ markedly from another's. Access to health, medical, and social services varies by place of residence, with many nonmetro areas deficient in such services. This is especially important because nonmetro areas had a larger share of their population at age 60 and older in 1997 (18 percent) than metro areas (15 percent). The social and economic characteristics of the older population by race and ethnicity are examined to determine how the well-being of minority elders compares with that of the White elderly.

Today's older population is predominantly White, but it is becoming more racially and ethnically diverse. While less than 10 percent of the older population in 1990 was Hispanic or races other than White, this share is expected to increase to about 20 percent by the middle of the next century. About one-fifth of older Blacks and Hispanics were age 80 and older in 1990; by 2050, this rapidly growing segment of the older population is expected to increase to almost one-third, and even higher for the White elderly. While the proportion of the population age 60 and older is relatively small among minorities, this is a growing population and each race and ethnic group has distinct characteristics.

Key minority status differences between older persons in metro and nonmetro areas include the following: (1) minorities are a smaller share of the nonmetro elderly than the metro elderly, (2) nonmetro Black elders are more likely to be widowed and to live alone than are metro elders, (3) nonmetro minority elders are less healthy and less educated than are metro and nonmetro White elders, and (4) nonmetro minority elders tend to be poorer than metro elders.

### Nonmetro Elders Include a Smaller Share of Minorities than Metro Elders

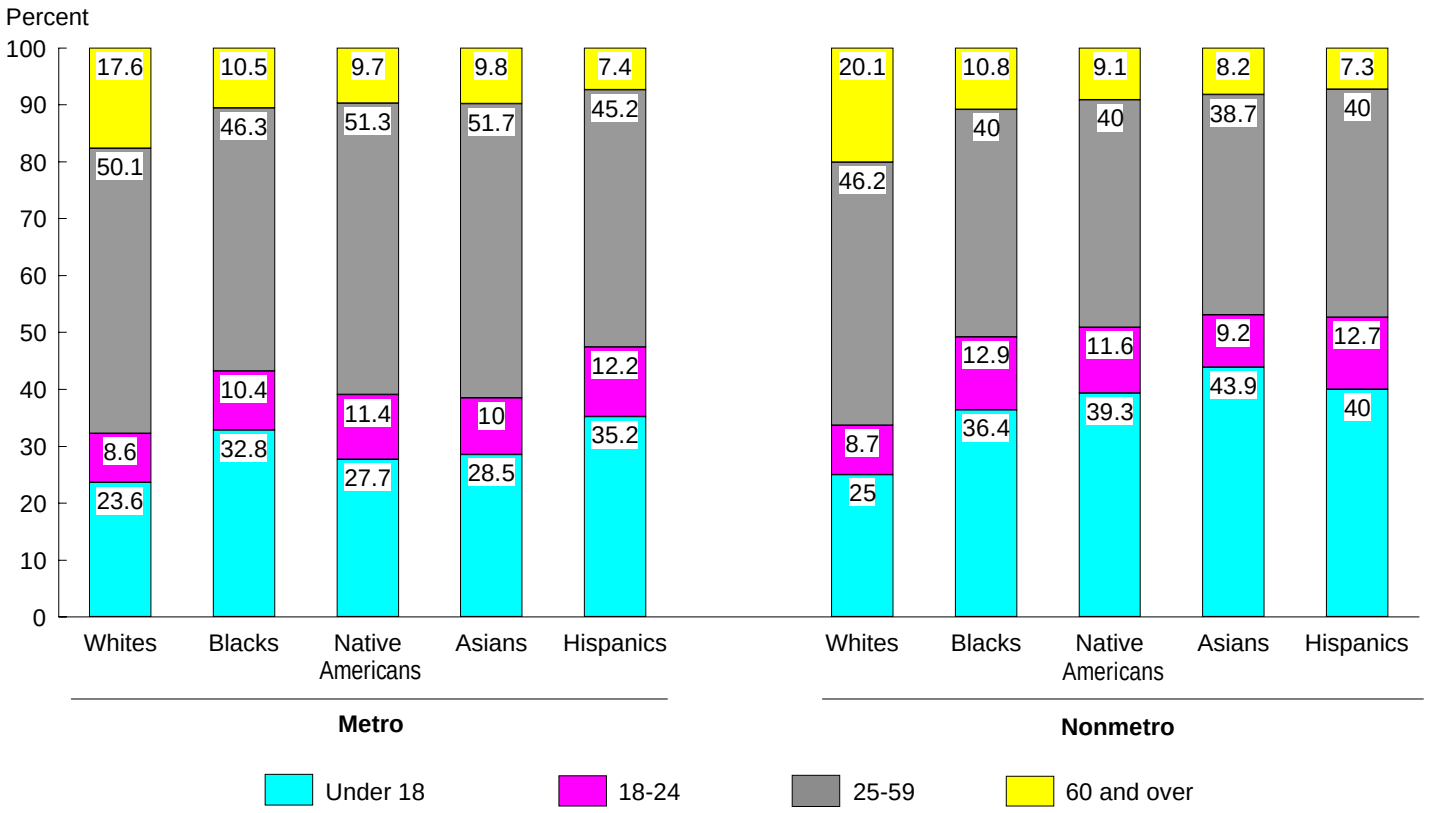
The older population is predominantly White; in 1997, 92 percent of nonmetro persons age 60 and older were White, compared with 84 percent of metro elders. In metro areas, 10 percent of those age 60 and older were Black and 6 percent Hispanic. In nonmetro areas, only 6 percent of the elderly were Black and 2 percent Hispanic. Minorities are more likely to reside in metro areas, with the exception of American Indians.

The distribution of the metro-nonmetro population by age and minority status reveals a younger age structure among minorities due to higher fertility, somewhat higher mortality, and more recent immigration. In 1997, only 25 percent of the White population in nonmetro areas was under age 18, compared with 40 percent of Hispanics (fig. 1). At the other end of the age spectrum, 11 percent of Blacks were age 60 and older, while less than 10 percent of other minorities were elderly. This is in direct contrast with the nonmetro White population, with 20 percent age 60 and older. In future years, there will be greater ethnic and racial diversity within the older population due to the younger age structure of minorities.

### Minority Elders Are Concentrated in the South and West

The older population is concentrated in the South, with a substantial proportion of the nonmetro White elderly residing in the Midwest. Among all nonmetro elders age 60 and older, 44 percent resided in the South and 33 percent in the Midwest in 1997. Among their metro counterparts, 33 percent were in the South and 21 percent in the Midwest. Many regions dependent on farming and mining, and with a prior history of slow growth and net outmigration—such as the Corn Belt, Great Plains, and Southern Appalachian Coal Fields—have been aging through the loss of young adults. Some areas have gained older residents, largely because of an influx of retirees. Other areas have sustained decade-long losses of outmigrating, young working-age people, while older persons have

Figure 1
**Population distribution by age, race/ethnicity, and residence, 1997**
*Whites have a larger proportion age 60 and older than minorities*




Source: 1997 March Current Population Survey (CPS) data file.

remained and become an ever-increasing proportion of the total population. This changing geographic distribution of the older population has led to disparities between resources and needs—such as medical services, social services, housing, and long-term care—in communities, regions, and States.

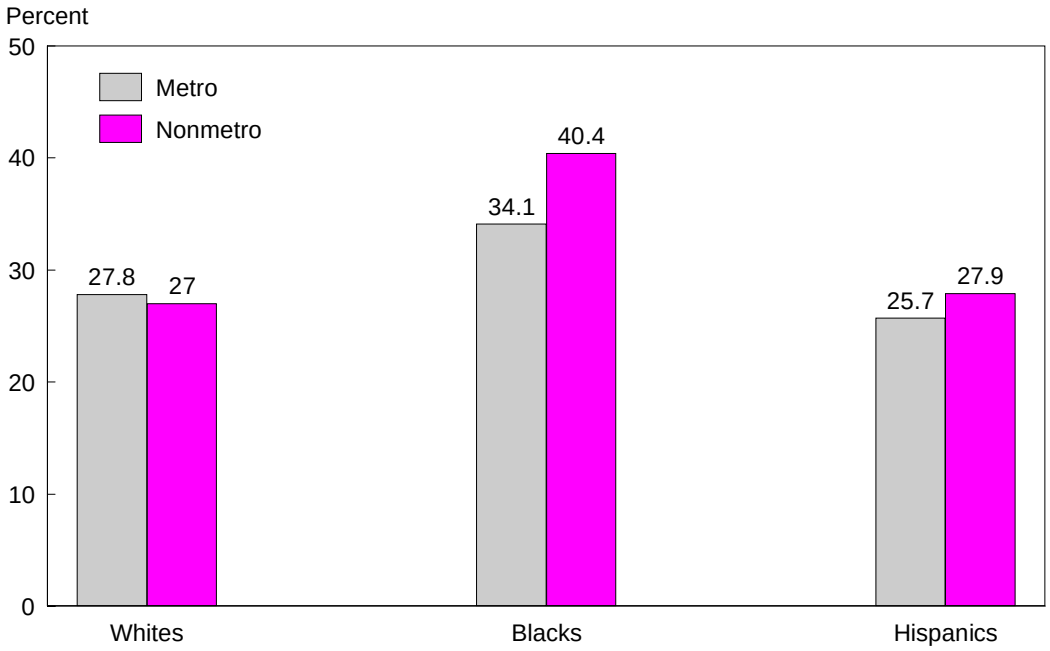
Nonmetro Black elders are concentrated in the South (89 percent) and nonmetro Hispanic elders in the South (60 percent) and West (34 percent). In the general population, nearly three-fourths of rural Blacks reside in the South Atlantic and East South Central divisions, and almost three-fourths of rural Hispanics are located in the West South Central and Mountain divisions. Asian Americans are clustered geographically in the West and American Indians in the South and West. Because of the small size of the Asian and American Indian elderly populations, the rest of this analysis will restrict comparisons to elderly Whites, Blacks, and Hispanics.

### Black Elderly Persons Are More Likely to Be Widowed and to Live Alone than White or Hispanic Elders

Nonmetro older persons were more likely to be married (61 percent) than their metro counterparts (57 percent) in 1997. Married persons tend to be healthier and to have greater economic security. Among elders, Whites and Hispanics are more likely than Blacks to be in a husband-wife family; 63 percent of Whites, 61 percent of Hispanics, and 34 percent of Blacks in nonmetro areas were in married-couple families in 1997. On the other hand, nonmetro Black elders are more likely to be widowed (40 percent) than nonmetro White elders (27 percent) (fig. 2).

Figure 2
**Persons 60 years and older who are widowed, by race/ethnicity and residence, 1997**

*Black elderly persons are more likely to be widowed*




Source: 1997 March Current Population Survey (CPS) data file.

Of nonmetro persons age 60 to 74, 18 percent were widowed, but by age 75, 49 percent of nonmetro elders were widowed. Moreover, the female population (nearly two-thirds of the older population) is more likely to be widowed. In 1997, 81 percent of all widowed persons age 60 and older were female. Widows are more vulnerable in terms of having less social support and fewer financial resources for health care.

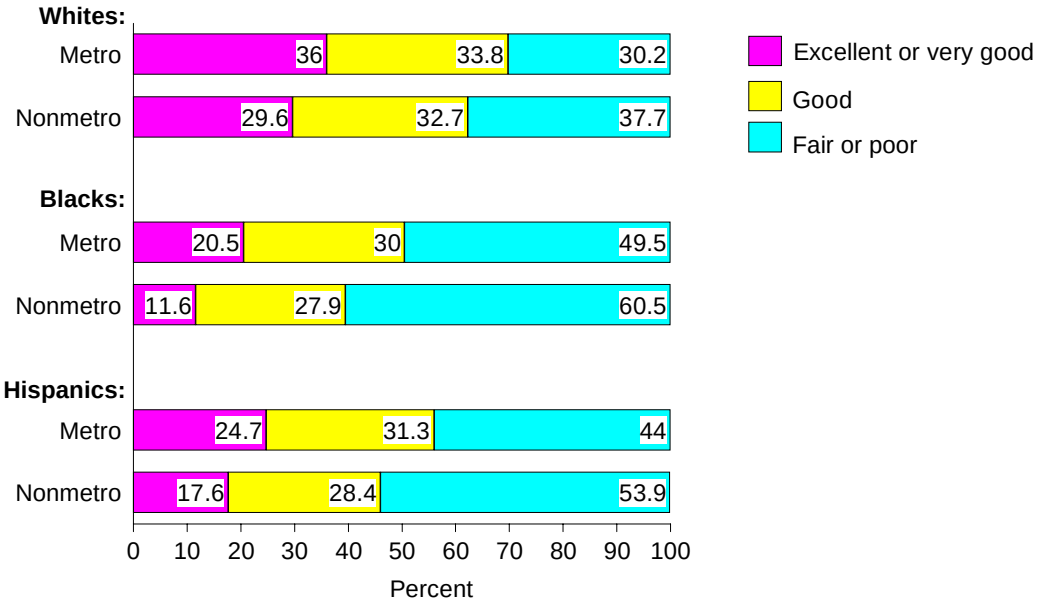
A person's marital status also affects whether one lives alone. Almost one-third of White elders in nonmetro areas live alone and about one-half of Blacks do so. Regardless of residence, 29 percent of Hispanic elders live alone. The likelihood of living alone increases with advancing age, and persons living alone are more likely to experience poverty.

### Minority Elderly Are Less Healthy than Their White Counterparts

Nonmetro elders are more likely to assess their health as fair or poor than metro elders. Minorities are less likely than Whites to rate their health as excellent or very good (fig. 3). Corresponding to their lower self-assessments of health, Black elders are also more likely to report having a health problem or disability that prevented or limited their working, as well as having retired or left a job for health reasons. While 46 percent of nonmetro Black elders reported having a health problem or disability that limited their working or prevented employment altogether, only 25 and 28 percent of their Hispanic and White counterparts did so. Furthermore, a higher proportion of nonmetro Black elderly (14 percent) retired or left a job for health reasons than did Whites (9 percent) or Hispanics (11 percent).

Despite differences in self-assessed health status, comparable proportions of nonmetro and metro elders were covered by Medicare (about 77 percent at ages 60 and above). Nonmetro Whites had a higher proportion covered (83 percent) than either Blacks (77 percent) or Hispanics (73 percent). Medicaid coverage shows an opposite racial-ethnic pattern, with minority elders more likely to be covered by Medicaid. Nearly 29 percent of Blacks and 19 percent of Hispanics in nonmetro areas had Medicaid coverage, while only

Figure 3
**Health status of older persons, by race/ethnicity and residence, 1997**
*The nonmetro elderly were less likely to rate their health as excellent or very good, with minorities less likely to report excellent or very good health than Whites*




Source: 1997 March Current Population Survey (CPS) data file.

8 percent of nonmetro Whites did so. This helps bridge the gap in medical coverage. However, many nonmetro elders may still have unmet needs because many nonmetro areas have limited health care and social services.

### Nonmetro Minorities Are Less Educated than Their White Counterparts

While 30 percent of metro elders age 60 and older had not graduated from high school, 39 percent of nonmetro elders had not graduated. An even more striking difference is found within nonmetro areas—73 percent of Black elders and 77 percent of Hispanic elders had not completed high school, compared with 36 percent of Whites (fig. 4). This educational gap would have placed the nonmetro older population at a financial disadvantage throughout their working careers, resulting in higher poverty rates and lower retirement incomes. Educational attainment will be higher for tomorrow's elderly because younger cohorts are more likely to have completed high school and college than is true of the elderly today.

Labor force participation changes around age 60 and older due to retirement or partial retirement. In 1997, 80 percent of all persons age 60 and older were not working, and many of the remaining elders were employed in private or self-employment. A somewhat lower proportion of nonmetro elders had retired from the labor force in 1996 than metro elders, although a greater share of nonmetro elders were not in the labor force due to disability. Nearly 8 percent of nonmetro persons age 60 years and older were not in the labor force because of disability, compared with 5 percent of their metro counterparts.

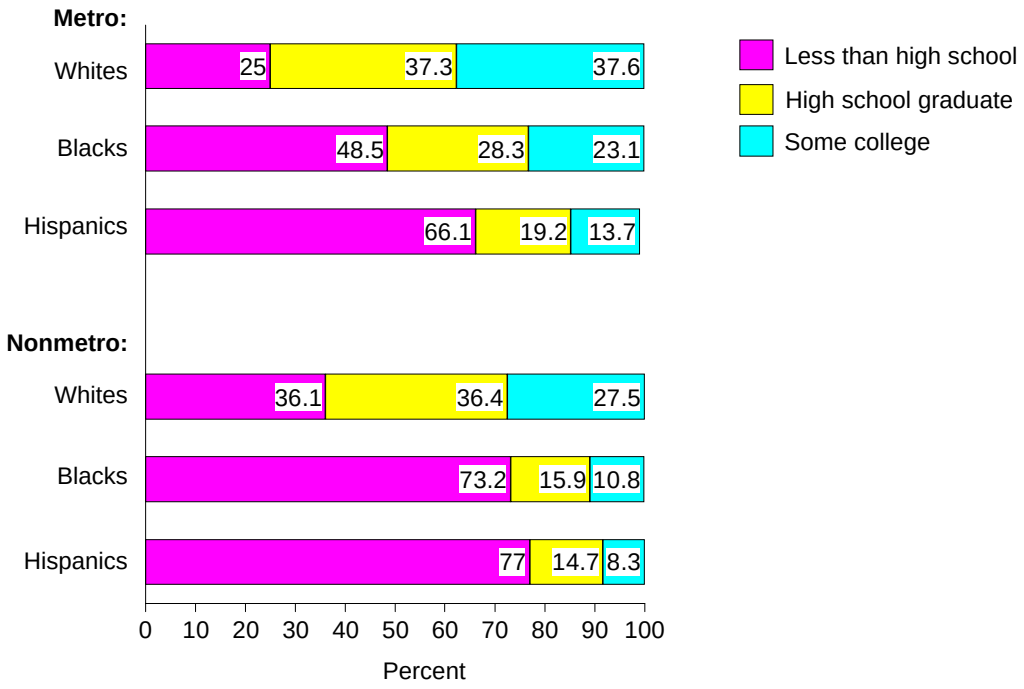
### Minority Elders Have Lower Incomes than White Elders

Nonmetro elders have lower median family incomes than their metro counterparts for all race-ethnic groups. Incomes are much lower for minority elders. For nonmetro persons age 60 and older, White median income was $22,320 in 1996; Black median income was $12,600, and Hispanic median income was $14,373. About 33 percent of White elders in

Figure 4

**Educational attainment of older persons, by race/ethnicity and residence, 1997**

*Minorities, especially in nonmetro areas, are less educated than Whites, with a smaller share having attended college*




Source: 1997 March Current Population Survey (CPS) data file.

nonmetro areas had incomes under $10,000, whereas 55 percent of Blacks and 44 percent of Hispanics had low incomes.

Several other measures of relative economic well-being include homeownership (which reflects one's assets) and the receipt of Supplemental Security Income (SSI) or food stamps (both of which indicate low assets and income). Minority elders are less likely to own their own homes; nearly 89 percent of nonmetro Whites owned their homes, compared with 78 percent of Blacks and 81 percent of Hispanics. Minority households are more likely to receive SSI and food stamps. While only 4 percent of nonmetro White elders received SSI, 27 percent of Blacks and 12 percent of Hispanics did so. About 24 percent of nonmetro Black elders received food stamps, as did 14 percent of Hispanics and only 5 percent of Whites.

Nonmetro elders depended somewhat more on Social Security income than metro elders, who were more likely to have other sources of retirement income. Among persons 60 years and older, 87 percent in nonmetro areas received Social Security income, compared with 82 percent in metro areas. Whites have somewhat of an advantage; 87 percent of nonmetro Whites, compared with 80 percent of Blacks and 76 percent of Hispanics, received Social Security payments. Forty-two percent of metro persons age 60 and over received retirement income other than Social Security, compared with 36 percent of nonmetro elders. Minority elders fared even worse on this source of income; in nonmetro areas, 37 percent of Whites received other retirement income, while only 17 percent of Blacks and 13 percent of Hispanics did so. Minorities also were less likely than Whites to receive income from interest and dividends.

### A Larger Proportion of Nonmetro Minority Elders Are Poor or Near-Poor than Their Metro Counterparts

At age 60 years and older, 13 percent of nonmetro elders were poor and 16 percent near-poor (100-149 percent of poverty level), compared with 10 percent poor and 12 percent near-poor among metro elders. A larger proportion of minority elders are poor or near-poor, especially in nonmetro areas. In 1996, 23 percent of metro Black elders and 37 percent of nonmetro Black elders were poor; these rates are about three times those of Whites (fig. 5).

Minorities comprise a larger share of the poor older population than would be expected based upon their small representation among the elderly. Of the poor older population in metro areas, 64 percent were White, 22 percent Black, and 13 percent Hispanic. Among poor older persons in nonmetro areas, 79 percent were White, 15 percent Black, and 5 percent Hispanic.

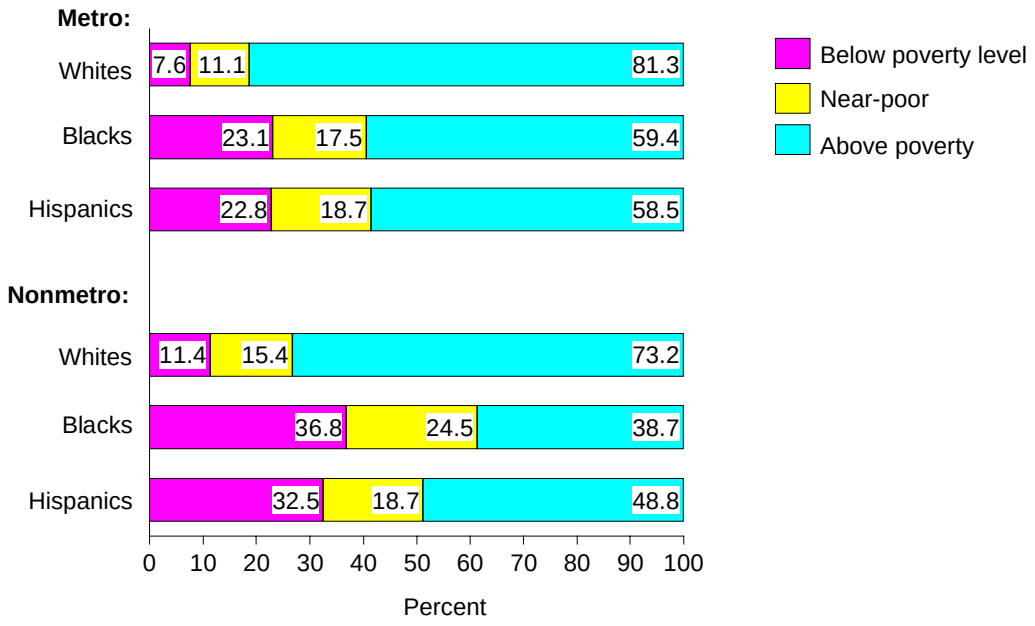
A higher proportion of the nonmetro than metro elderly population is age 75 years or older, and older age among the 60-and-older population is associated with a higher likelihood of being poor. Among nonmetro elders age 60 to 74, 11 percent were poor—9 percent of Whites, 33 percent of Blacks, and 31 percent of Hispanics. At ages 75 and older, 18 percent were poor—17 percent of Whites, 45 percent of Blacks, and 37 percent of Hispanics.

Poverty rates for older women are higher than those for men. While 10 percent of nonmetro men age 60 and older were poor, 16 percent of women were poor—14 percent of Whites, 40 percent of Blacks, and 34 percent of Hispanics. Of the poor population age 60 and older, over two-thirds were women, nearly half of the poor were widows, and about two-thirds lived alone. The elderly poor have less access to support services, good housing, adequate nutrition, and transportation, and are apt to be less healthy than their wealthier counterparts.

Figure 5

**Poverty status of older persons, by race/ethnicity and residence, 1996**

*A larger proportion of minority elders are poor or near-poor, especially in nonmetro areas*




Source: 1997 March Current Population Survey (CPS) data file.

### Tomorrow's Elderly Will Differ From Today's

No matter what race-ethnic group, it is very different to be part of a healthy older married couple with Social Security and a work-related pension than to be 85, widowed, and living alone with chronic health problems and minimum Social Security income. The lifetime experiences in employment and earnings of older Whites differ from those of Black and Hispanic elders. This generally means fewer resources at retirement age for Blacks and Hispanics. Hence, some elderly are economically secure, while others, especially the oldest old, those living alone, Blacks, and Hispanics, have relatively high poverty levels.

The elderly of tomorrow will have characteristics different from today's elderly, and such differences will ultimately affect their health and economic status. Minority elderly will differ in many ways from today's minority elderly. For example, young minorities are more likely to be employed in occupations covered by retirement plans than their parents were and more have attended college, leading to a better financial position in their retirement years.

The older population is widely distributed throughout the country, although nonmetro areas generally have higher proportions of the population age 60 and older. Issues such as access to medical and social services are more critical for the nonmetro elderly due to the lesser availability of such services in low-density areas. Because of the diversity in the nonmetro population and differing patterns of growth in the nonmetro elderly, local communities will need to adopt different strategies and policies to meet the needs of the elderly. New social and policy challenges for an aging population lie ahead.

The future size and composition of the older population is of fundamental importance for planning budget outlays for federally sponsored health and pension programs. Many questions lie ahead, such as whether more elderly will be at risk of extended years of disability or whether the age of onset of chronic conditions will be postponed. Is there a greater role for educating the public about long-term physical and economic effects of lifestyle in the younger years? Who will care for the physically and economically dependent aged? And will old age care programs take into account cultural differences? These are but a few of the questions an aging society must address. *[Carolyn C. Rogers, 202-694-5436, crogers@econ.ag.gov]*

# Nonmetro Employment Growth Slows, but Unemployment Continues to Fall

*Nonmetro employment continued to expand through 1997. During the early 1990's, nonmetro employment growth outpaced metro growth, but in the past 3 years, the employment growth rate in nonmetro areas has run behind the metro rate. Unemployment rates have continued to fall in both nonmetro and metro areas over the past several years. In nonmetro areas, employment growth rates in Black counties have generally been below those in low minority counties in both the 1980's and 1990's, while Hispanic county growth has been similar to low minority county growth.*

Nonmetro employment continued to expand during 1997, particularly during the last half of the year. Growth was particularly strong in the fourth quarter of 1997, but retreated during the first half of 1998. Between the second quarter of 1995 and the second quarter of 1998, the seasonally adjusted annualized employment growth rate in nonmetro areas has run behind the metro rate in 12 of 13 quarters. This is in sharp contrast to the first part of the 1990's, when nonmetro employment growth consistently outpaced metro growth (fig. 1).

This change reflects both an acceleration of metro growth and a slowdown of nonmetro growth. Between late 1990 and early 1995, metro employment growth averaged 0.9 percent per year, while nonmetro growth averaged 1.8 percent. However, over the past 13 quarters dating from April 1995 through June 1998, metro area growth has averaged 2.0 percent per year, while nonmetro growth has averaged just 1.0 percent.

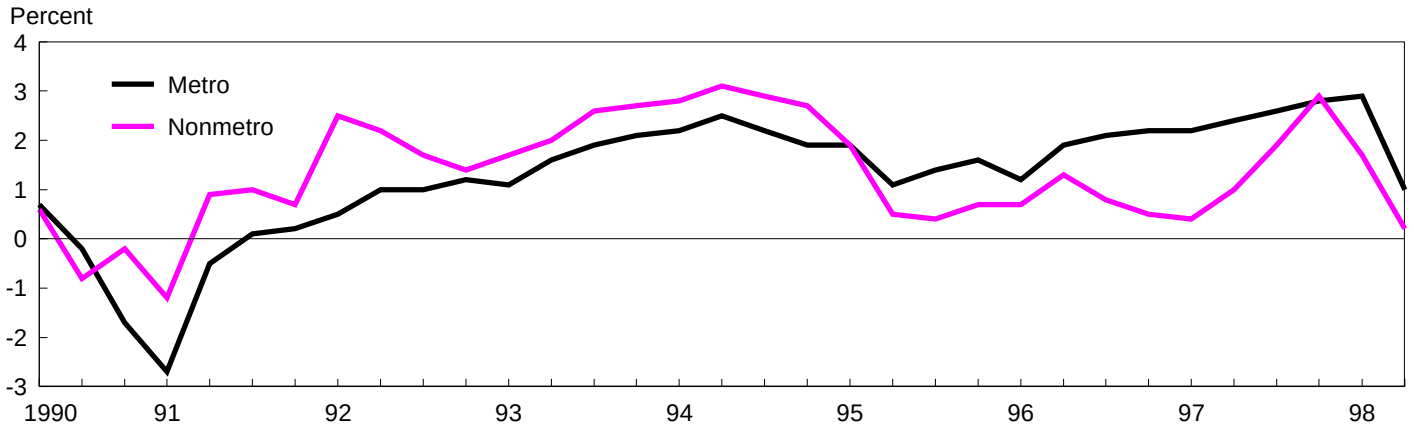
This nonmetro slowdown has not been limited to a few regions, or to counties with particular locational or economic attributes (rural-urban continuum codes or county economic types), but has been very widespread (table 1). Further, an examination of national employment growth by industry does not show any recent bias toward accelerated growth in more metro-oriented industries. Thus, the data suggest a generalized shift in economic activity toward metro areas, rather than a change attributable to conditions in particular nonmetro areas or industries.

### Nonmetro and Metro Unemployment Rates Continue to Fall

The slowdown in nonmetro employment growth has not led to a rise in unemployment, as might be expected. Rather, unemployment rates have continued to fall in both nonmetro and metro areas. The nonmetro rate fell from 5.9 percent in 1994 to 5.2 percent in 1997; by the first quarter of 1998, the seasonally adjusted nonmetro rate had fallen to 4.7 percent, the lowest level since 1973 (fig. 2). Similarly, the metro rate fell from 6.1 percent in 1994 to 4.9 percent in 1997, and to a seasonally adjusted rate of 4.3 percent in the second quarter of 1998, its lowest point during the 1973-98 period.

Figure 1
**Employment growth, 1990-98**

*Metro employment growth has generally exceeded nonmetro since early 1995*




Note: Rate shown is quarterly, seasonally adjusted annualized percentage employment growth, from second quarter 1990 through second quarter 1998.
Source: Calculated by ERS from Bureau of Labor Statistics' Local Area Unemployment Statistics.

Table 1

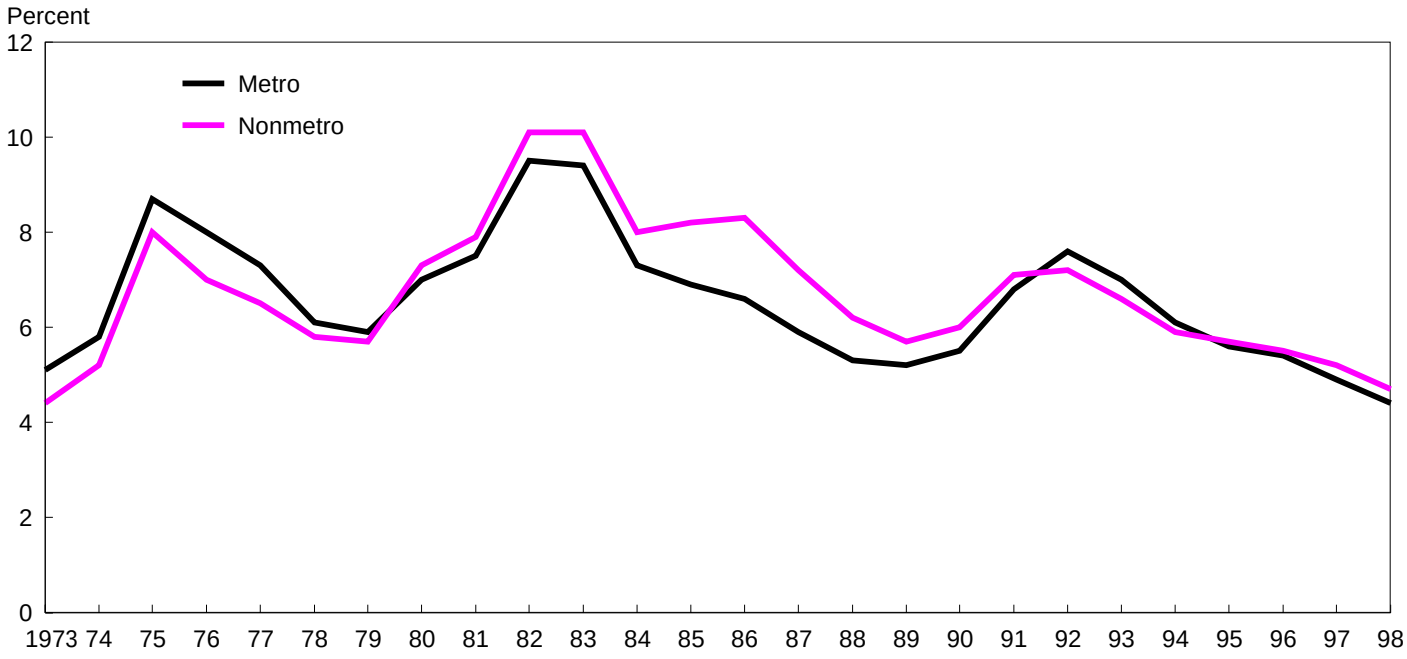
**Employment growth in nonmetro areas: 1991-95 versus 1995-98**

*Employment growth in most nonmetro county types has slowed since 1995*

| Item | Annual rate of change: 2nd quarter 1991 to 2nd quarter 1995 | Annual rate of change: 2nd quarter 1995 to 2nd quarter 1998 | Difference |
|---|---|---|---|
| | Percent | Percent | Percentage point |
| U.S. total | 1.5 | 1.8 | 0.3 |
| Metro | 1.4 | 2.0 | .6 |
| Nonmetro | 2.0 | 1.0 | -1.0 |
| Region: | | | |
| Northeast | .4 | 1.0 | .6 |
| Midwest | 2.2 | .7 | -1.5 |
| South | 2.0 | 1.0 | -1.0 |
| West | 3.0 | 1.9 | -1.1 |
| Economic type: | | | |
| Agriculture | 1.7 | .8 | -.9 |
| Mining | .7 | .9 | .3 |
| Manufacturing | 2.0 | .7 | -1.3 |
| Government | 2.0 | 1.4 | -.7 |
| Services | 2.4 | 1.5 | -.9 |
| Nonspecialized | 2.2 | 1.0 | -1.2 |
| Retirement | 3.0 | 2.2 | -.8 |
| Federal lands | 3.1 | 1.8 | -1.3 |
| Commuting | 2.3 | 1.5 | |
| Persistent poverty | 2.0 | .6 | -1.3 |
| Transfers | 2.1 | .9 | -1.2 |
| Minority population: | | | |
| Substantially Black | 1.4 | .8 | -.6 |
| Predominantly Black | 1.0 | .2 | -.7 |
| Substantially Native American | 2.6 | 1.0 | -1.6 |
| Predominantly Native American | 3.8 | -.4 | -4.2 |
| Substantially Hispanic | 1.0 | 2.1 | 1.1 |
| Predominantly Hispanic | 2.3 | .8 | -1.5 |
| Low minority | 2.1 | 1.1 | -1.0 |
| Rural-urban continuum code: | | | |
| Urban adjacent | 1.7 | 1.2 | -.5 |
| Urban nonadjacent | 2.0 | 1.2 | -.8 |
| Less urban adjacent | 2.2 | 1.1 | -1.1 |
| Less urban nonadjacent | 2.1 | .9 | -1.2 |
| Rural adjacent | 2.3 | 1.0 | -1.3 |
| Rural nonadjacent | 1.8 | .6 | -1.2 |

Note: Data by region, economic type, minority population, and rural-urban continuum code are for nonmetro areas only.
See pp. 118-120 in the appendix for definitions of the county types (typology codes).
Source: Calculated by ERS from Bureau of Labor Statistics' Local Area Unemployment Statistics.

Figure 2
**Metro and nonmetro unemployment rates, 1973-98**
*Metro and nonmetro unemployment rates have generally moved together*




Note: 1973-97 values are annual averages and 1998 value is first half, seasonally adjusted.
Source: Current Population Survey, Bureau of the Census, 1998 seasonal adjustment calculated by ERS.

Slowing employment growth in nonmetro areas in conjunction with a continuing decline in unemployment is explained in part by declining rates of nonmetro labor force growth. Between 1990 and 1993, nonmetro labor force rose by 1.2 million. In contrast, nonmetro labor force rose by only 0.2 million between 1994 and 1997. Since the nonmetro labor force grew more slowly than nonmetro employment, nonmetro unemployment rates declined. Consistent with this, the population article in this issue finds that while nonmetro areas continued to experience net inmigration between 1995 and 1997, the rate of inmigration slowed from the early 1990's.

### Employment Growth Remains Slow in Nonmetro Black Counties

This issue of *RCaT* emphasizes the economic experience of nonmetro counties with high concentrations of minorities as well as that of nonmetro minority groups. In this context, it is useful to look at the employment growth and unemployment experience of Black, Hispanic, and Native American counties in nonmetro areas.

Employment growth rates in Black counties have generally been below those in low minority counties in both the 1980's and 1990's. In nonmetro areas, the growth rate gap between Black and low-minority counties changed little from the 1980's to the 1990's—averaging about 0.7 percentage point annually in both periods. On the other hand, employment growth trends in nonmetro Hispanic counties have followed a different pattern, being more similar to growth rates in low-minority counties in both the 1980's and 1990's (table 2). Employment in Native American counties grew at nearly the same rate as in low minority counties during the 1980's, but a bit faster during the 1990's.

### Low-Minority Counties Account for Most Employment and Unemployment in Nonmetro Areas

In nonmetro areas, Black counties represent the overwhelming share—about two-thirds—of the labor force and employment among minority counties; Hispanic and Native American counties account for the remaining third. Overall, minority counties account for only 11 percent of the labor force and employment in nonmetro counties. Unemployment levels are higher in minority counties; most Black and Native American counties in nonmetro areas, as well as nearly 40 percent of Hispanic counties, have unemployment rates at least 1.5 times the national average (table 3). As a result, minority counties account for 17 percent of overall nonmetro unemployment and 29 percent of nonmetro "location-specific unemployment" (those who are unemployed who would be employed if the county unemployment rate equaled the national average) (table 4). Average unemployment rates are higher in Hispanic than Black counties. However, the range of unemployment rates was also wider among Hispanic counties, and they are actually more likely than Black counties to have below-average unemployment rates (table 3; fig. 3).

Table 2
**Change in nonmetro and metro employment, by minority county type, 1980-97**
*Employment growth in Black counties has lagged both nonmetro and metro growth rates*

| Period | 1980-90 | 1990-97 |
|---|---|---|
| | Annual percentage change | |
| U.S. total | 1.8 | 1.3 |
| Metro: | | |
| Overall average | 2.0 | 1.2 |
| Nonmetro: | | |
| Overall average | .9 | 1.4 |
| Low minority | 1.0 | 1.4 |
| Black | .2 | .7 |
| Native American | .8 | 1.9 |
| Hispanic | 1.2 | 1.5 |
| Difference from overall nonmetro average: | | |
| Low minority | .1 | .1 |
| Black | -.7 | -.7 |
| Native American | -.1 | .5 |
| Hispanic | .3 | .1 |

Source: Calculated by ERS from Bureau of Labor Statistics' Local Area Unemployment Statistics.

Table 3

**Nonmetro high-unemployment counties, by minority status, 1997**

*About half of all nonmetro minority counties have unemployment rates more than 1.5 times the national average*

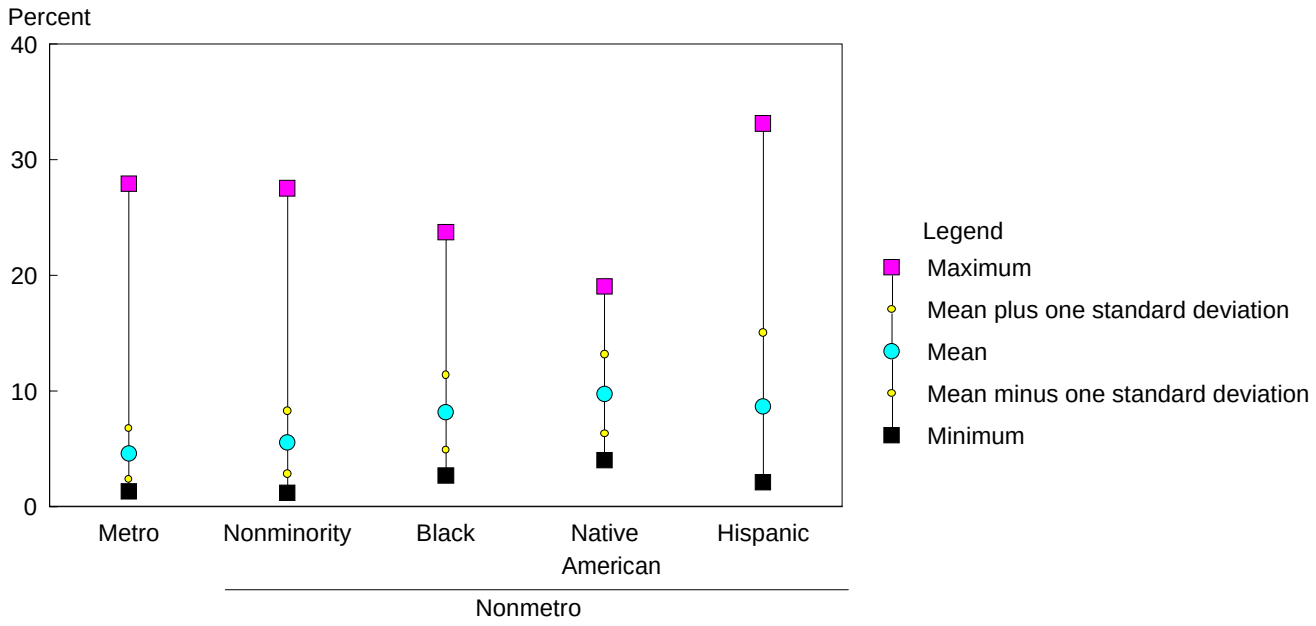
| Unemployment rate | Low minority (N=1967) | Black (N=210) | Hispanic (N=88) | Native American (N=39) |
|---|---|---|---|---|
| | Percent of counties (number of counties) | | | |
| Above U.S. average | 51.1 (1,005) | 86.2 (181) | 73.9 (65) | 92.3 (36) |
| Above 1.5 x average | 22.0 (432) | 51.9 (109) | 38.6 (34) | 71.8 (28) |

Source: Calculated by ERS from Bureau of Labor Statistics' Local Area Unemployment Statistics.

Figure 3

**Ranges of unemployment rates among counties, by minority status, 1997**

*Nonmetro Hispanic counties have a much wider range of unemployment rates than Black or Native American counties do*




Note: At least 70 percent of the counties in each group have unemployment rates within plus or minus one standard deviation of the mean. The mean minus one standard deviation point in the nonmetro Hispanic group is not shown because it is nearly the same as the actual minimum.

Source: Calculated by ERS using data from the Bureau of Labor Statistics.

Table 4

**Nonmetro labor force statistics, by minority county type, 1997**

*Minority counties account for less than a third of the location-specific unemployed in nonmetro counties*

| Item | Low minority | Black | Hispanic | Native American | Total |
|---|---|---|---|---|---|
| | Number in thousands (percentage of total) | | | | |
| Labor force | 23,144 (88.9) | 1,936 (7.4) | 674 (2.6) | 277 (1.1) | 26,031 (100.0) |
| Employed | 21,849 (89.3) | 1,785 (7.3) | 596 (2.4) | 248 (1.0) | 24,478 (100.0) |
| Unemployed | 1,295 (83.4) | 151 (9.7) | 78 (5.0) | 29 (1.9) | 1,553 (100.0) |
| Location-specific unemployed[1] | 288 (70.9) | 58 (14.3) | 45 (11.1) | 15 (3.7) | 406 (100.0) |

[1]Location-specific unemployment is a measure of the size of concentrations of unemployment above the national average rate. The number of location-specific unemployed in a county is defined by the number who are unemployed in that county who would be employed if the county unemployment rate equaled the national average. The number of location-specific unemployed is set at zero for all counties with an unemployment rate below the national average.

Source: Calculated by ERS from Bureau of Labor Statistics' Local Area Unemployment Statistics.

While reported rates of unemployment among Native Americans on some reservations range up to 50 percent, the overall unemployment rate for Native American counties is just above 10 percent and the highest for any of these counties is under 20 percent. Factors that explain this apparent discrepancy include low unemployment rates for nonminorities in many of these counties, lower labor force participation rates for Native Americans (meaning that even in counties where Native Americans are a majority of the population, they may not comprise a majority of the labor force), and considerable variability among counties in the Native American Indian unemployment rate. (Census data for 1990 show unemployment rates for Native Americans in some of these counties ranging from less than 10 percent to more than 40 percent).

In summary, unemployment in minority counties remains significantly elevated even in a period of low overall unemployment nationwide. At the same time, concentrations of unemployment in those counties make up only a modest percentage of all unemployment in nonmetro areas. *[Lorin Kusmin, 202-694-5429, lkusmin@econ.ag.gov]*

# Manufacturing Sector in Black Counties Weakens in Era of New Technology

*Manufacturing has historically been an important source of job growth in counties with high proportions of Blacks, but with new technology demanding more highly skilled workers, some manufacturers in these counties are having difficulty competing. Despite extensive government support, manufacturing has not expanded in predominantly Black counties in the 1990's.*

This article is about jobs, particularly manufacturing jobs, in counties where Blacks are at least a third of the population. These counties are among the poorest in the Nation. Almost all of the counties where Blacks are the predominant racial group were classified as persistently poor by ERS (using 1990 Census data), and two-thirds of the substantially Black (one-third to one-half the population) counties were so classified. Moreover, predominantly Black counties have also been among the most dependent on transfer payments, which means that adjustment to welfare reform will be particularly difficult. One solution is to create more job opportunities. This article investigates what those opportunities may be, drawing from both county employment data and the ERS Rural Manufacturing Survey.

Local jobs provide only part of the picture, since many people may commute across county boundaries. But, particularly for low skill jobs, the county is the first place to look and, the more distant the job, the greater the cost in commuting time and expense. Moreover, local employers mean additional county property tax income, opportunities for entrepreneurship, and a more dynamic labor market, all important considerations in low-income counties.

**Manufacturing Is Important in Nonmetro Black Counties, but the Pay Is Low**

With the continued decline in opportunities in traditional resource-based industries—agriculture, forestry, and mining—rural areas have developed primarily from the expansion of adjacent urban agglomerations, amenity-based recreation and retirement industries, and the attraction and generation of low-tech manufacturing. Individual counties have also gained jobs through development of particular services—including prisons, casinos, data processing, and mail order companies.

Black counties, particularly predominantly Black counties, tend not to be high in natural amenities (as measured by climate, lake area, ocean frontage, and topography). In part, this reflects the historic location of plantation agriculture. Also, some once predominantly Black counties that are attractive to retirees and vacationers have gained substantial White populations. The best known example is probably Beaufort County, South Carolina, the site of Hilton Head Island. The county population was nearly three-quarters Black in 1930, but less than a third Black in 1990, despite a growth in the Black population over the period.

Apart from some of the counties near expanding metropolises, manufacturing has offered one of the better opportunities for job creation in Black counties. In 1995, manufacturing (and government) accounted for a higher percentage of jobs in Black counties than in other counties in the South, and these counties in turn had more manufacturing than nonmetro counties in other regions (table 1). About 45 percent of the substantially Black counties and 27 percent of predominant Black counties were "high-manufacturing" counties in 1995, with manufacturing comprising over a quarter of all jobs.

These employment data alone underestimate the importance of manufacturing in the rural economy. Manufacturing jobs are more likely to be full-time jobs than service sector jobs and tend to have higher wages. Thus, while manufacturing accounted for 21 percent of all jobs in predominantly Black counties in 1995, it accounted for 26 percent of total earnings.

But manufacturing jobs themselves are hardly an economic panacea for counties with high Black populations. The manufacturing jobs in these counties are low-wage jobs by national standards. According to the ERS Rural Manufacturing Survey (see box, p. 53), production worker hourly pay is about 25 percent lower in predominantly Black counties than in nonmetro counties with low proportions of Blacks, and 10 percent lower in substantially Black counties. At these wages, manufacturing does not provide a major boost

Table 1

**Employment in nonmetro South, by proportion of the population Black**

*Counties with high proportions of Blacks rely more on manufacturing, but did gain manufacturing jobs during 1990-95*

| | | South | | | |
|---|---|---|---|---|---|
| | | | | Percent Black | |
| Industry | Non-South | Total | Low | Substantial | Predominant |
| | | | Percent | | |
| Job distribution, 1995: | | | | | |
| Agriculture, forestry, fishing | 9.0 | 8.6 | 8.8 | 6.8 | 9.6 |
| Mining | 1.1 | 1.7 | 2.0 | .6 | .7 |
| Manufacturing | 14.8 | 19.6 | 18.9 | 23.3 | 20.8 |
| Private service sector | 54.2 | 48.0 | 48.6 | 44.8 | 45.6 |
| Government | 15.7 | 16.7 | 16.1 | 19.5 | 19.6 |
| Construction | 5.3 | 5.4 | 5.6 | 5.0 | 3.7 |
| All jobs | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Change in number of jobs, 1990-95: | | | | | |
| Agriculture, forestry, fishing | -2.1 | .1 | .9 | -2.0 | -7.8 |
| Mining | -12.1 | -17.4 | -17.5 | -20.6 | -2.2 |
| Manufacturing | 6.3 | 4.3 | 5.2 | 1.7 | -1.7 |
| Private service sector | 11.9 | 13.0 | 13.1 | 12.4 | 12.3 |
| Government | 3.8 | 7.1 | 7.1 | 7.4 | 5.8 |
| Construction | 17.1 | 10.6 | 11.6 | 8.6 | -4.8 |
| All jobs | 8.3 | 8.2 | 8.6 | 7.3 | 4.9 |

Source: Calculated by ERS using data from the Bureau of Economic Analysis.

to family incomes. Thus, predominant Black counties were almost all "persistently poor" as of 1989, irrespective of the amount of manufacturing they had.

Manufacturing in predominantly Black counties is associated, however, with lower welfare dependence. Among these counties, 1995 per capita income support payments were 10 percent lower in high-manufacturing counties than in other counties. More to the point, in both substantially and predominantly Black counties, changes in manufacturing jobs during 1990-95 were inversely related to changes in income support payments over the same period. A gain (loss) in manufacturing jobs during1990-95 equal to 1 percent of total county employment was associated with a reduction (increase) in per capita income support payments of about 0.5 percent (constant dollars). This suggests that although manufacturing can at best be only part of the answer, the ability of these counties to adjust to welfare reform will depend partly on the strength of their manufacturing sectors. But the prognosis is not favorable.

### Manufacturing Sector Weak in Black Counties During 1990-96 After Gains in Earlier Decades

Although manufacturing expanded in Black counties in the 1970's at a rate similar to those of other Southern nonmetro counties, and even expanded in predominantly Black counties over the 1980's, these counties have not shared in the rural manufacturing expansion of the 1990's (table 2). Counties with substantial Black populations had a slight loss in manufacturing jobs in 1990-96 and predominantly Black counties, a 5-percent loss. In contrast, manufacturing has increased in counties with low Black populations during the 1990's, especially outside of the South.

Table 2
**Change in manufacturing and total jobs, by proportion of Blacks in county population**

*High Black counties have lost manufacturing jobs in 1990's in both metro and nonmetro areas*

| Type of county | Change in manufacturing jobs 1969-79 | 1979-90 | 1990-96 | Change in all jobs, 1990-96 |
|---|---|---|---|---|
| | Percent | | | |
| Nonmetro: | | | | |
| Nonsouth | 13.5 | -2.3 | 7.7 | 12.0 |
| South | 22.0 | 1.9 | 2.3 | 10.7 |
| By proportion Black— | | | | |
| Low | 22.5 | 2.2 | 3.4 | 11.2 |
| Substantial | 20.8 | -.4 | -.7 | 9.2 |
| Predominant | 18.0 | 4.1 | -5.0 | 6.3 |
| Metro, by proportion Black— | | | | |
| Low | 4.2 | -9.0 | -3.6 | 9.7 |
| Substantial | -17.9 | -29.8 | -7.8 | 3.4 |
| Predominant | -16.3 | -26.4 | -14.7 | -4.2 |

Source: Calculated by ERS using data from the Bureau of Economic Analysis.

Even with their low wages, the ability of communities in Black counties to attract and develop manufacturing may now be more limited than in the past. In previous decades, low wage labor was a major factor in the shift of manufacturing to the rural South and labor skills were not an issue. But the globalization of production and markets has eroded the regional low-wage advantage—many other countries, including Mexico, have considerably lower wages than found anywhere in the United States. Moreover, ERS Rural Manufacturing Survey results indicate that the current wave of technological innovation in U.S. manufacturing, spurred in part by international competition, is generally raising the skill levels required of production workers. (See R. Teixeira, *Rural and Urban Manufacturing Workers: Similar Problems, Similar Challenges*, AIB-736-02, U.S. Dept. Agr., Econ. Res. Serv., 1998.) Consistent with these results (and in contrast to the 1970's and 1980's), rural (and urban) areas with low education levels have generally not gained manufacturing jobs in the 1990's. Counties with high proportions of Blacks have high dropout rates (fig.1). In both substantially and predominantly Black counties (as in nonmetro counties in general), manufacturing grew in 1990-96 only where the high school dropout rates for young adults (ages 25-44) were under 25 percent. Currently, local human resources, rather than low wages, appear to be key to rural manufacturing competitiveness.

### Manufacturers in Black Counties Report Major Problems with Local Human Resources

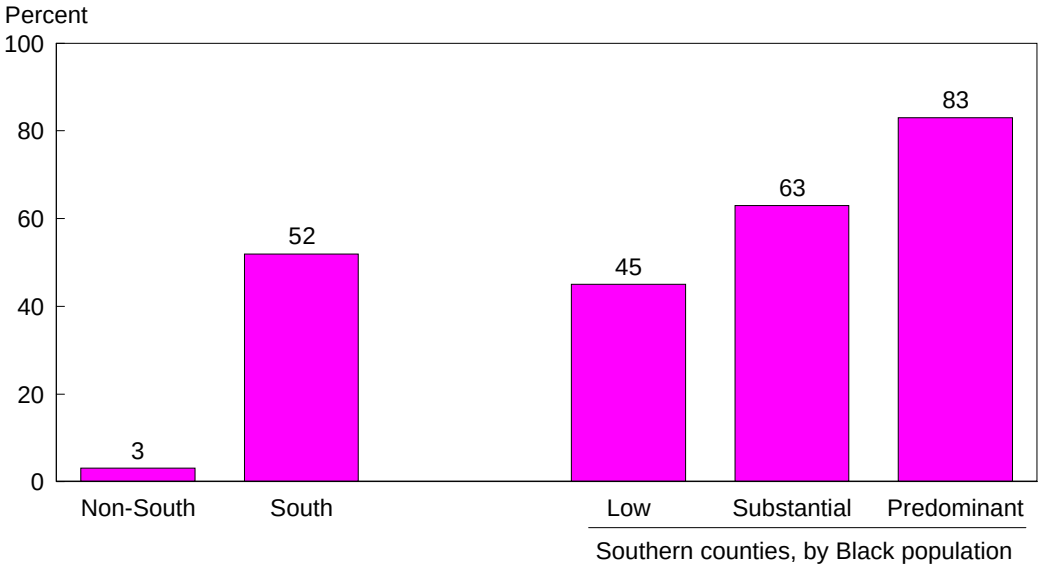
The most direct way to identify local obstacles for manufacturers is to ask the manufacturers themselves. As part of the ERS Rural Manufacturing Survey, manufacturers were asked which of a list of 21 local factors were problems for their establishments' ability to compete. Human resources factors were paramount in the rural Black counties and generally cited much more often than in other nonmetro counties (table 3).

The most cited problem in predominantly Black counties was the quality of local schools; nearly half the respondents reported this as a major problem. In contrast, only 8 percent of the manufacturers in counties with low Black populations cited schools as a major problem. This problem is related to some extent with another major problem in Black counties—the ability to attract managers and professionals—as schools are a major factor in the residential quality of life. But the school quality issue also relates to the problems of finding people with basic skills to do production work. One in every five manufacturers in predominantly

Figure 1

**Proportion of nonmetro counties in which over 25 percent of young adults (ages 25-44) lacked a high school diploma, 1990**

*Southern counties, particularly those with high proportions of Blacks, are often low-education counties*




Source: Calculated by ERS using data from the 1990 Census of Population.

Table 3

**Local factors reported by manufacturers as major problems for their plant's ability to compete**

*Quality of local schools cited as major problem by nearly half in predominantly Black counties*

| Local factor | Non-South | South, by Black Population | | | Total |
|---|---|---|---|---|---|
| | | Low | Substantial | Predominant | |
| | | | Percent | | |
| Quality of local schools | 7.6 | 8.4 | 25.7 | 45.4 | 10.2 |
| Quality of available labor | 33.9 | 34.1 | 36.4 | 36.0 | 34.3 |
| Attractiveness of area to managers and professionals | 14.2 | 14.1 | 20.3 | 30.5 | 14.8 |
| Access to training | 8.9 | 8.6 | 9.0 | 20.8 | 8.9 |
| Access to financial institutions[1] | 5.9 | 5.4 | 2.8 | 15.9 | 5.5 |
| | | | Number | | |
| Cases | 1,666 | 903 | 152 | 63 | 2,784 |

[1]Excludes branch plants.

Note: Except for the labor quality measure, differences are significant at least at the 0.05 level. Chi-square tests across categories were used except for access to financial institutions, where Fisher's Exact Test was to test the predominant Black category responses against the remainder.

Source: ERS Rural Manufacturing Survey.

Black counties cites lack of access to training as a major problem. Except for the training issue, where they are similar to the general rural average, manufacturers in substantially Black counties fall between the low and predominantly Black counties in their answers. Although the number of manufacturers interviewed in the predominantly Black counties was small, these differences are statistically highly significant ($p<0.001$).

The quality of available labor was reported as a major problem by over a third of the Black county manufacturers, but unlike the other human resource issues, this was about as likely to be reported as a major problem in other rural areas. Other analysis has shown that responses to this question are highly sensitive to the technologies used, the wages paid, and adjacency to metro areas. Manufacturers in counties with 25 percent more of the population Black, particularly those using advanced technologies, were shown to cite this problem much more often than expected on the basis of their plant characteristics and other county attributes. (D. A. McGranahan, *Local Problems Facing Manufacturers*, AIB-73-03, U.S. Dept. Agr., Econ. Res. Serv., 1998.)

Other differences in problems cited between manufacturers in Black and non-Black counties tended to be relatively small. About 20 percent in Black counties reported State and local taxes and environmental regulations to be major problems, but this proportion is about the same in other counties. No other local factors were cited as major problems by more than 15 percent of the manufacturers, with the exception of access to financial institutions, which was cited by 16 percent of the local manufacturers in predominantly Black counties, but seldom reported elsewhere. Since this question was not relevant to branch plants, the number of cases involved is really too small to more than signal a potential issue.

One additional reason for the lack of manufacturing growth in Black counties, particularly predominantly Black counties, could be a lack of government support, since these counties generally have fairly weak infrastructures. However, the results of the ERS Rural Manufacturing Survey suggest that manufacturing establishments in predominant Black counties receive extraordinary support, far more than manufacturers in other locations (table 4). Mississippi stands out in this regard, with manufacturers in its predominantly Black counties reporting assistance in industrial parks, tax breaks, and training significantly more often than manufacturers in other predominantly Black counties. Manufacturers in substantially Black counties have received about the same amount of support as manufacturers elsewhere, suggesting that assistance has been targeted to the majority Black counties.

Table 4

**Nonmetro manufacturers reporting participation in government programs in past 3 years as very or somewhat important for business operations**

*Manufacturers in majority Black counties receive extensive support*

| Program type | Non-South | South, by Black Population | | | Total |
|---|---|---|---|---|---|
| | | Low | Substantial | Predominant | |
| | | | Percent | | |
| Credit | 25.6 | 19.7 | 16.0 | 31.7 | 23.3 |
| Industrial parks | 19.9 | 21.3 | 19.5 | 41.7 | 20.8 |
| Tax breaks | 47.0 | 43.5 | 48.6 | 68.9 | 46.5 |
| Training | 29.1 | 28.0 | 28.5 | 46.8 | 29.1 |
| | | | Number | | |
| Cases | 1,634 | 880 | 151 | 62 | 2,727 |

Source: ERS Rural Manufacturing Survey.

**The ERS Rural Manufacturing Survey**

In 1996 the Economic Research Service, in cooperation with the Social and Economic Sciences Research Center at Washington State University, conducted telephone interviews with a nationwide sample of rural and urban manufacturing businesses with at least 10 employees. Interviews with 2,844 nonmetro and 1,065 metro establishments were completed, for a 70-percent response rate. Nonmetro and large establishments were oversampled in the survey design. Statistics were weighted to account for this stratification.

The goal of the survey was to investigate issues of rural manufacturing competitiveness and enhance the targeting of rural development programs at national, State, and local levels. To that end, the survey instrument asked about a range of issues, including worker characteristics, technology use, marketing assistance, worker skills and training, locational barriers to competitiveness, and sources of financing.

### Services in Predominantly Black Counties Grew for Unexpected Reasons

One last question remains. Given that agriculture as well as manufacturing jobs declined over the 1990-95 period, what explains the 12-percent growth in service sector jobs in predominantly Black counties? A large part of the answer is found in a single predominant Black county—Tunica County, Mississippi. The development of a casino complex in Tunica generated over 9,000 service sector jobs in the county between 1990 and 1995, tripling total employment. (I am grateful to Calvin Beale for providing this explanation.) Exclusive of this county, service sector jobs in predominant Black counties increased by only 8 percent, 4 percentage points lower than reported in table 1. Similarly, total employment growth in predominant Black counties was only 3 percent outside of Tunica, compared with 5 percent including Tunica.

More generally, a rise in transfer payments appears to have contributed to employment growth in the region, particularly in predominant Black counties. Led by increases in Medicare and Medicaid, transfer payments rose (in constant dollars) by about 30 percent in Southern nonmetro counties during 1990-95, independent of the proportion Black. In 1995, these payments equaled 39 percent of total earnings in the nonmetro South, except in predominant Black counties, where they equaled 48 percent. Thus, in the predominant Black counties, the rise in transfer payments was equivalent to a gain in total earnings of about 15 percent—a very large amount in only 5 years. The actual local impact was probably lower than an equivalent gain in earnings, since a substantial portion of the medical payments undoubtedly went to service providers located outside of these counties. Nevertheless, this is a large enough increase to generate some of the new service sector jobs. To some extent, then, changes in manufacturing jobs may have been offset by changes in transfer payments in their effects on local economies.

### The Outlook for Black Counties Is Uncertain

The present analysis has focused on the 1990-96 period, and elsewhere in this issue is evidence that growth in rural areas of the country has slowed since 1995. While drawing any conclusions based on 1 year is always risky, the data for 1995-96 indicate that the downturn in manufacturing in Black counties may be accelerating. For instance, predominant Black counties lost 4 percent of their manufacturing jobs in 1995-96 alone, and although their total jobs continued to increase, the gain was only 0.3 percent.

The trends for rural Black counties would be less unsettling if opportunities in urban Black counties were improving, but they have had a history of manufacturing decline and total employment has grown only slowly (table 2). In metro Black counties, employment gains during 1990-96 was even lower than in their nonmetro counterparts. In 1995-96, metro predominantly Black counties lost jobs and substantially Black counties gained only in the South. Metro Black counties are not alternative places to find work for Blacks (or others)

currently residing in rural Black counties. To the extent that good job opportunities for Black workers exist, they are outside these areas.

Rural Black counties have been able to rely in the past on low wages to attract manufacturing. This avenue appears less viable in the 1990's, despite extensive government assistance, especially in predominantly Black counties. In any case, manufacturing has not provided sufficient incomes to lift their populations out of poverty. The skill demands of new manufacturing technology have generally increased. Despite their relatively low use of new technology, nearly half the manufacturers in predominantly Black counties see the local school systems as major problems for their competitiveness. Poor school systems make it difficult both to find adequately skilled workers and to attract managers and professionals to the area. Whether the economies of these counties are currently viable without a major effort in improving education and training is, thus, a real concern. For counties dependent on manufacturing, local economic planning and outside government assistance cannot be lastingly effective without involving training institutions and local school systems. *[David A. McGranahan, 202-694-5356, dmcg@econ.ag.gov]*

# Rural Nonfarm Earnings Growth Lags Urban

*During 1996, rural real earnings per nonfarm job grew more slowly than urban earnings. Earnings per job grew slightly faster in Black rural counties, but those and other minority counties still have jobs that average lower earnings than all rural jobs.*

Rural real earnings per nonfarm job rose by a slight 0.1 percent during 1996, from $22,465 in 1995 to $22,492 in 1996 (fig. 1). Urban real earnings per nonfarm job increased at a faster pace (0.7 percent), rising from $31,480 in 1995 to $31,717 in 1996. Since 1990, earnings per nonfarm job have fallen less or increased more in rural than in urban areas in only 2 years, 1993 and 1994 (see app. table 8). The wide rural-urban earnings gap persists and widened slightly during the 1990's. In 1989, rural earnings per nonfarm job were 73.8 percent of urban earnings. By 1996, that ratio had fallen to 70.9 percent.

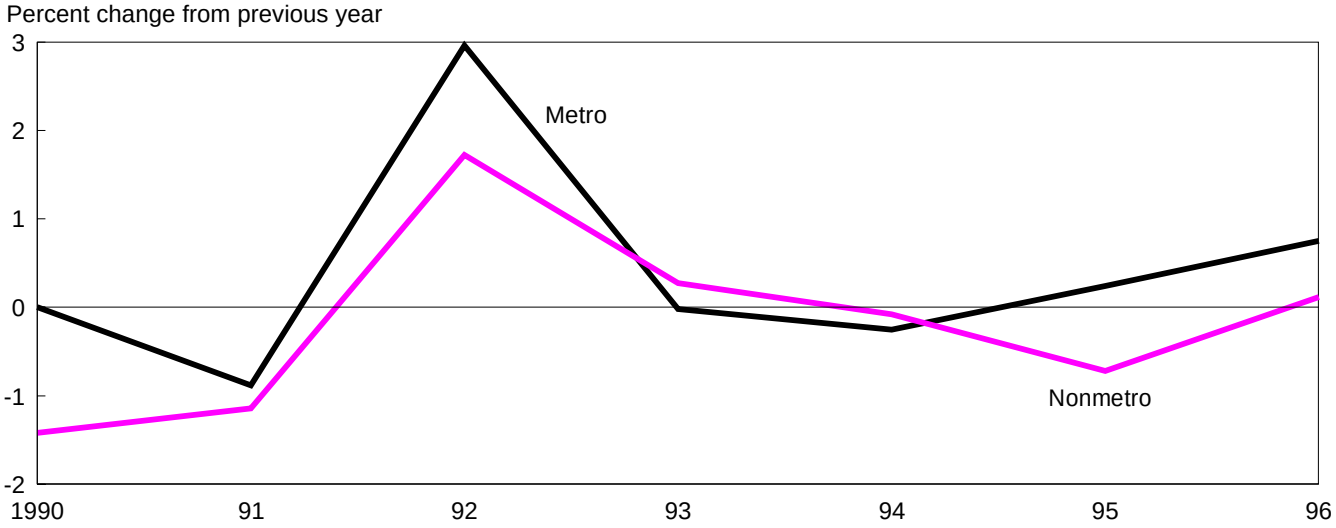
### Rural Earnings Lag Urban in All Nonfarm Industries

The rural-urban gap in earnings per nonfarm job exists in all industry sectors (table 1). During the 1990's, the gap widened sharply in mining, transportation and public utilities, and finance, insurance, and real estate. The gap has been and remains largest in the finance, insurance, and real estate industry. Rural earnings were only 54.3 percent of urban earnings in this industry in 1989 and fell to 47.6 percent of urban earnings by 1996. Rural jobs in this industry are more often part time and in lower paying administrative support and clerical occupations while urban jobs in this industry are more often full time and in higher paying executive and technical occupations.

### Earnings per Nonfarm Job Increased More in Black Counties

During the 1990's, real earnings per nonfarm job grew more in Black rural counties than earnings did in other types of nonmetro counties. From 1989, the last year of growth before the 1990-91 recession, to 1991, earnings per job fell at an annual rate of 1 percent in Black counties, a slower rate of decline than in all rural counties (table 2). From 1991 to 1996, earnings per nonfarm job increased by 0.6 percent annually in Black counties, twice the rate of increase in all nonmetro counties. And, in the most recent year, 1995-96, earnings growth in Black counties slowed to 0.2 percent, still twice the also-slowed

Figure 1
**Annual change in real earnings per nonfarm job, 1989-96**
*Nonmetro earnings per job have grown more slowly or fallen farther than metro earnings in 5 of the last 7 years*




Note: Previous years' earnings converted to 1996 dollars using the chained-type personal consumption expenditures price index.
Source: Calculated by ERS using data from the Bureau of Economic Analysis.

Table 1

**Nonmetro real earnings per nonfarm job, by industry, 1989 and 1996**

*Nonmetro earnings trail metro earnings in all nonfarm industries, and most gaps widened during the 1990's*

| Industry | 1989 | | 1996 | |
|---|---|---|---|---|
| | Earnings per job | Ratio to metro earnings | Earnings per job | Ratio to metro earnings |
| | 1996 dollars | Percent | Dollars | Percent |
| Nonmetro nonfarm | 22,782 | 73.8 | 22,492 | 70.9 |
| Forestry, fishing, and other[1] | 15,642 | 86.0 | 13,622 | 81.6 |
| Mining | 36,649 | 92.5 | 38,062 | 78.2 |
| Construction | 26,587 | 73.8 | 24,446 | 74.0 |
| Manufacturing | 30,397 | 70.3 | 31,176 | 67.6 |
| Transportation and public utilities | 35,607 | 82.6 | 34,210 | 77.3 |
| Wholesale trade | 26,952 | 66.2 | 27,581 | 65.0 |
| Retail trade | 14,331 | 81.2 | 13,376 | 79.7 |
| Finance, insurance, and real estate | 14,872 | 54.3 | 16,854 | 47.6 |
| Services | 18,231 | 64.1 | 18,602 | 64.0 |
| Government | 24,731 | 77.9 | 25,719 | 76.8 |

[1]Other is employees of foreign embassies working in the United States.

Note: Earnings and jobs in any industries other than government are suppressed in counties with few jobs in that industry or where a dominant employer accounts for a high share of the jobs in the industry. This suppression affects the calculation of earnings per job in both metro and nonmetro areas, causing the estimates shown here to vary somewhat from the true estimates that would be calculated if no county information were suppressed.

Source: Calculated by ERS using data from the Bureau of Economic Analysis.

rate of increase in all nonmetro counties. The gap between real earnings per nonfarm job in Black and all rural counties shrank from $902 in 1989 to $333 in 1996.

Native American counties had higher earnings per nonfarm job than did all nonmetro counties. High earnings of jobs in Alaska, where several of the Native American counties are located, accounted for the group's earnings exceeding all nonmetro counties' average earnings. Excluding the Alaska counties, the remaining Native American counties averaged slightly lower earnings than did all nonmetro counties.

Native American and Hispanic counties did not experience earnings trends like the rest of the country during the 1990's. Earnings per nonfarm job increased slightly in Hispanic counties during the 1990-91 recession, while earnings were falling elsewhere. Both Native American and Hispanic counties have averaged annual declines in earnings during the 1991-96 recovery and growth period for the national economy. In the most recent year, 1995-96, Hispanic counties had slight growth in earnings, but Native American counties had the same rate of earnings decline as they have averaged since the recession.

According to ERS' typology of nonmetro county types, many Black counties' economies depend on manufacturing for a large share of earnings and many of them have at least 40 percent of their workers commuting to jobs in other counties. According to ERS' urban influence codes, over half of Black counties are adjacent to metro areas, mostly small metro areas of fewer than 1 million residents. In contrast, many Native American counties depend on farming or government for a large share of earnings, none of them has high commuting, and most of them are remote from metro areas. Many Hispanic counties depend on farming or mining or government for a large share of earnings, few have high commuting, and over half of them are remote from metro areas. With so many Black county economies linked to the recession- and recovery-sensitive manufacturing industry

Table 2

**Real earnings per nonfarm job, by place of work, selected years**

*Earnings per job in Black nonmetro counties improved relative to earnings in other nonmetro areas during the 1990's, but all types of nonmetro counties fell farther behind metro areas*

| Place of work | 1989 | 1991 | 1996 |
|---|---|---|---|
| | | 1996 dollars | |
| Nonmetro | 22,782 | 22,204 | 22,492 |
| Black | 21,880 | 21,457 | 22,159 |
| Native American | 24,888 | 24,724 | 24,014 |
| Hispanic | 21,401 | 21,424 | 21,311 |
| Metro | 30,856 | 30,584 | 31,717 |
| United States | 29,517 | 29,175 | 30,135 |
| | | Average annual change | |
| | 1989-91 | 1991-96 | 1995-96 |
| | | Percent | |
| Nonmetro | -1.3 | 0.3 | .1 |
| Black | -1.0 | .6 | .2 |
| Native American | -.3 | -.6 | -.6 |
| Hispanic | .1 | -.1 | -.1 |
| Metro | -.4 | .7 | .8 |
| United States | -.6 | .6 | .7 |
| | | Ratio of earnings to metro earnings | |
| | 1989 | 1991 | 1996 |
| | | Percent | |
| Nonmetro | 73.8 | 72.6 | 70.9 |
| Black | 70.9 | 70.2 | 69.9 |
| Native American | 80.7 | 80.8 | 75.7 |
| Hispanic | 69.4 | 70.0 | 67.2 |

Source: Calculated by ERS using data from the Bureau of Economic Analysis.

and to metro area jobs, it is not surprising that their earnings behave like all nonmetro and national earnings. Native American and Hispanic county economies are more often tied to countercyclical or recession-neutral industries and have less access to metro area jobs, helping to explain why their earnings do not follow national trends.

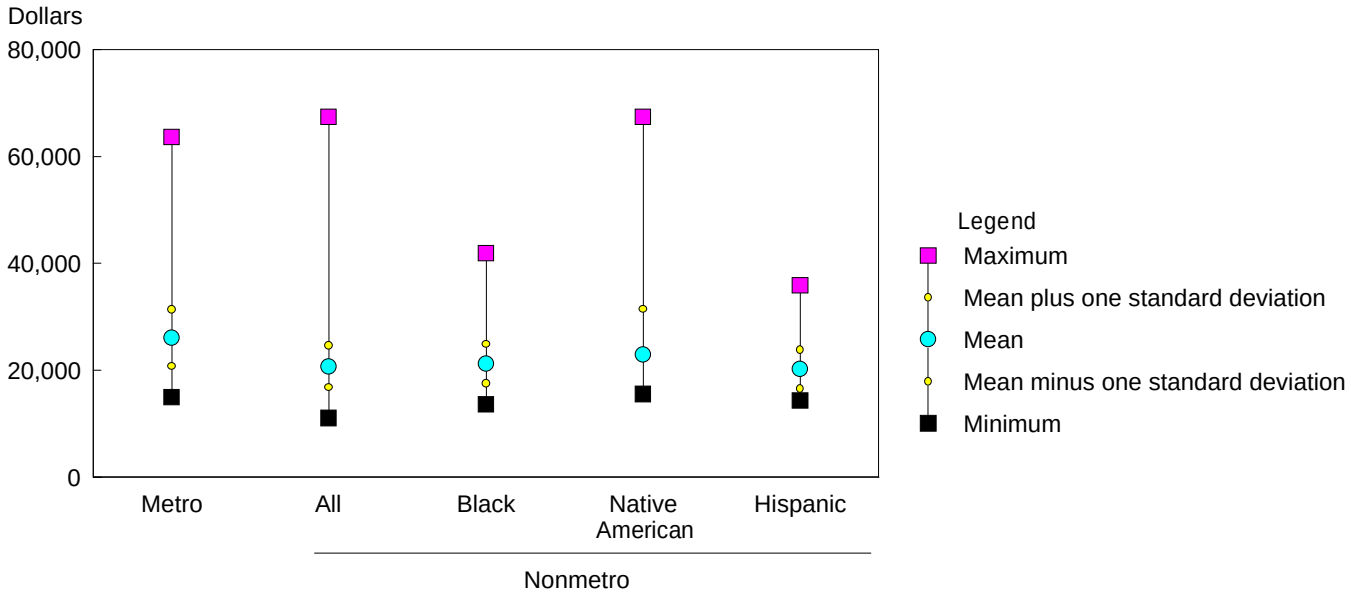
### Earnings per Job Vary Less Among Black and Hispanic Counties

Earnings per job discussed so far represent the sum of earnings in the group of counties divided by all jobs in the group of counties. That statistic represents the status of each group, but individual counties in any group may have earnings that differ greatly from the group's average earnings. Figure 2 shows the ranges of earnings per job among counties in each group. Black and Hispanic rural counties have much smaller ranges of earnings than the other groups. As mentioned above, Native American counties include several

Figure 2

**Ranges of earnings per nonfarm job among counties, by racial/ethnic status, 1996**

*Nonmetro Native American counties have a much wider range of earnings than Black or Hispanic counties do because several Alaskan counties with high proportions of Eskimo and Aleut residents have some very high-paying jobs*




Note: At least three-quarters of the counties in each group have earnings per nonfarm job within plus or minus one standard deviation of the mean. The mean minus one standard deviation point in the nonmetro Native American group is not shown because it is below the actual minimum.
Source: Calculated by ERS using data from the Bureau of Economic Analysis.

very high earnings counties in Alaska. They are the counties with the highest earnings per nonfarm job in the Nation, so they put the maximum earnings for nonmetro and Native American counties higher than the maximum earnings for metro counties. All groups of counties have high outliers that put the maximum well above the mean. At least three-quarters of the counties in each group have earnings within plus or minus one standard deviation of the mean, showing that the average earnings of the group is representative of the earnings status of most counties in the group.

Another way to investigate the diversity in earnings among the minority counties is to look at trends for the subgroups of counties, substantial and predominant, within each minority group. The subgroups' earnings are shown in appendix table 9 (see p. 129). In 1996, the predominantly Black and Hispanic counties had lower earnings per nonfarm job than the substantially Black and Hispanic counties. In contrast, the predominantly Native American counties had higher earnings per job than the substantially Native American counties. Again, the Alaska counties account for this difference. During the 1990's, real earnings per job have grown more in the predominantly Black counties than in any other of the county groups. The ratio of the predominantly Black counties' earnings to metro earnings improved from 68.7 percent in 1989 to 69.0 percent in 1996. That is a little improvement, but all other minority subgroups and rural areas overall lost relative to metro earnings.

Although many of the trends in minority counties' earnings have been positive, these trends represent what has happened to the earnings of all jobs in the counties, not only those held by minorities. The article on earnings of rural minority workers (see pp. 59-62), however, also finds that rural Blacks' weekly earnings are growing faster than other rural workers' earnings, suggesting that they have probably benefited from earnings growth in the areas where they comprise a large portion of the population. *[Linda M. Ghelfi, 202-694-5437, lghelfi@econ.ag.gov]*

# Rural Earnings Continue a Slow, Steady Rise

*Rural earnings rose slightly between 1996 and 1997. Earnings growth was high for rural Blacks and Hispanics, but their earnings levels remained well below that of non-Hispanic Whites. Regardless of race, women accounted for most of the overall gains in rural earnings during the 1990's.*

Average weekly earnings for rural workers rose 1.4 percent between 1996 and 1997 after adjusting for inflation, reflecting the benefits of steady productivity growth and very low inflation rates. The gain, from $430 to $436, is the largest annual increase since the 1990-91 recession. Rural earnings growth continues a national trend of rising real earnings in both metro and nonmetro labor markets that began earlier in the decade, and parallels improvement in other measures of workforce well being, such as declines in unemployment rates.

Sustained economic growth has meant that some groups who historically have not participated fully in the upswings of the business cycle are now seeing increases in earnings as great as or greater than the average. This is true for rural Blacks, whose average weekly earnings increased 2.4 percent between 1996 and 1997, and 5.6 percent since 1990. Nonetheless, the earnings differences between minorities and Whites within the rural labor force remain quite large and are only slightly smaller than they were two decades ago.

Meanwhile, the gap between urban and rural earnings of racial and ethnic minorities has narrowed significantly, and is particularly noticeable for Hispanic workers, whose urban earnings have been flat in the 1990's. For all racial/ethnic groups, the rise in women's average earnings is the prime component of recent real earnings increases in rural labor markets.

The data for this article come from the Current Population Survey (CPS). All earnings figures are reported in 1997 dollars using the Consumer Price Index for urban wage earners to adjust for inflation. The reader is cautioned that this article does not report the two measures underlying average weekly earnings, average hourly earnings and average weekly hours, due to changes in 1994 in the way that hours are reported in the CPS.

### Rural Minorities' Earnings Growth Exceeds Non-Hispanic Whites' in the 1990's...

Average weekly earnings rose slightly faster for rural Black and Hispanic workers than for rural Whites between 1990 and 1997 (table 1). The highest increase was for Blacks, whose earnings grew by 2.4 percent between 1996 and 1997 and by 5.6 percent since

Table 1

**Average weekly earnings of rural wage and salary workers**

*During the 1990's, average weekly earnings increased at a higher rate for Blacks*

| | Earnings | | | Change | |
|---|---|---|---|---|---|
| Item | 1990 | 1996 | 1997 | 1990-97 | 1996-97 |
| | 1997 dollars | | | Percent | |
| All workers | 422 | 430 | 436 | 3.3 | 1.4 |
| Black | 321 | 331 | 339 | 5.6 | 2.4 |
| Hispanic | 327 | 341 | 340 | 4.0 | -.3 |
| White | 435 | 439 | 445 | 2.3 | 1.4 |

Note: Hispanics may be of any race. "Black" and "White" exclude Hispanics.
Source: Calculated by ERS using data from the Current Population Survey.

1990. The picture for rural Hispanics is less clear; earnings have risen 4 percent from the beginning of the decade, but were stagnant between 1996 and 1997.

The relatively strong performance of rural Black earnings reflects their geographic concentration in the South. During the 1990's, rural average weekly earnings grew fastest in the South (up 5.3 percent to $428 in 1997), followed by the Midwest (up 4.3 percent to $432), and the West (up 0.5 percent to $449), while rural earnings fell slightly in the Northeast (down 1.5 percent to $464).

Also, the recent increases in the minimum wage in September 1996 (to $4.75 per hour) and October 1997 (to $5.15 per hour) have helped boost weekly earnings for all low-wage workers, who are disproportionately Black. Before the wage increases took effect, about 20.2 percent of rural Blacks and 7.5 percent of Hispanics were earning between $4.25-$5.14 per hour—the wage group most likely to be affected.

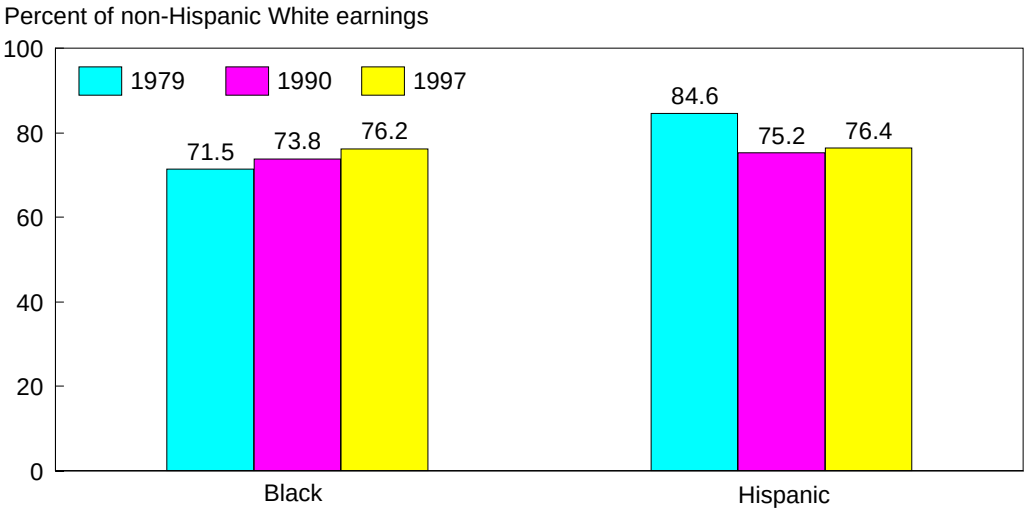
The lower earnings growth for rural Hispanics, compared with Blacks, is likely an outcome of several factors. Hispanic workers are more likely than Blacks to work in farming occupations that are not covered under minimum-wage laws. Moreover, nearly 4 in 10 rural Hispanics live in the West, where steady growth in the services sector has generated plentiful, but often low-paying jobs.

### ...but Their Earnings Levels Remain Much Lower

Despite solid gains during the 1990's, Black and Hispanic workers' average earnings remained well below White earnings. The legacy of racial discrimination in both schools and the workplace continues to mark the structure of earnings in rural America. In 1997, rural Blacks earned just 76.2 percent as much as Whites on average; Hispanics earned 76.4 percent as much (fig.1). And while the gap has closed slightly for Blacks in the 1990's, it remains only marginally smaller than in 1979, when their earnings relative to Whites were 71.4 percent. For rural Hispanics, the gap has actually increased since 1979 when Hispanics earned 84.7 percent as much as Whites. An increase in immigration of poor Hispanics from developing counties has pushed down their average weekly earnings.

One explanation of the persistent disparity in earnings is the lower rate of high school and (especially) college completion among Black and Hispanic workers. Even if minority

Figure 1
**Ratio of nonmetro Black and Hispanic earnings to White earnings, 1979-97**
*Black earnings have increased while Hispanic earnings have fallen compared with White earnings*




Source: Calculated by ERS using data from the 1979, 1990, and 1997 Current Population Survey.

workers had the same levels of education as White workers, however, much of the earnings gap would remain, since minorities typically earn less than Whites with the same amount of education.

### Rural Earnings Grow Faster than Urban Earnings for All Groups

Rural and urban average weekly earnings grew at about the same rate between 1996 and 1997 (1.4 percent rural and 1.5 percent urban). Since 1990, however, rural earnings have outpaced urban earnings, due largely to the sluggish urban recovery in the early 1990's. The rural advantage has been especially strong for Blacks and Hispanics, whose average weekly earnings have grown at several times the rate for similar urban workers (tables 1 and 2).

Increasing average education levels and occupational status are not the primary explanations for faster rural earnings growth, since education and occupational upgrading have occurred at least as quickly in urban labor markets. Rather, rural earnings appear to be growing faster than urban earnings at any given level of education or occupation. The exception to this observation may be the sizable divergence in earnings for rural and urban Hispanics, which was accompanied by a drop in the share of urban Hispanics employed in manufacturing and an increase in the supply of less-skilled workers in cities where Hispanics are prevalent.

### Earnings Increases Are Larger for Women

Real weekly average earnings rose 8.5 percent for rural women between 1990 and 1997, up from $321 to $348. In contrast, real weekly average earnings for men rose by less than 1 percent in the same period, up from $513 to $518, but remained at a much higher level than for women. Much of this increase in women's weekly earnings is due to the changing nature of the job market for women. Between 1990 and 1997, the labor force participation rate for rural women increased from 53.8 percent to 57.5 percent, but dropped slightly for rural men (from 72.9 percent to 72.2 percent). Associated with this labor force influx is women's rapid movement into higher status occupations. Rural women on average now have higher education levels than rural men, allowing women to enter better initial jobs and to move up more quickly into higher paying positions.

Regardless of race, women accounted for most of the overall gains in rural average weekly earnings during the 1990's (fig. 2). The largest percentage increases among rural women were among Blacks and Hispanics. In rural areas, earnings increased by 10.7 percent for Black women, 10.7 percent for Hispanic women, and 8.8 percent for White women between 1990 and 1997. Despite the higher percentage increases in minority

Table 2

**Average weekly earnings of rural and urban wage and salary workers**

*The ratio of rural to urban earnings has increased slightly during the 1990's*

| Item | Urban earnings | | Change, | Rural-urban ratio | |
|---|---|---|---|---|---|
| | 1990 | 1997 | 1990-97 | 1990 | 1997 |
| | 1997 dollars | | Percent | | |
| All workers | 547 | 550 | 0.6 | 77 | 79 |
| Black | 439 | 443 | .9 | 73 | 77 |
| Hispanic | 416 | 403 | -3.1 | 79 | 84 |
| White | 579 | 566 | -2.3 | 75 | 77 |

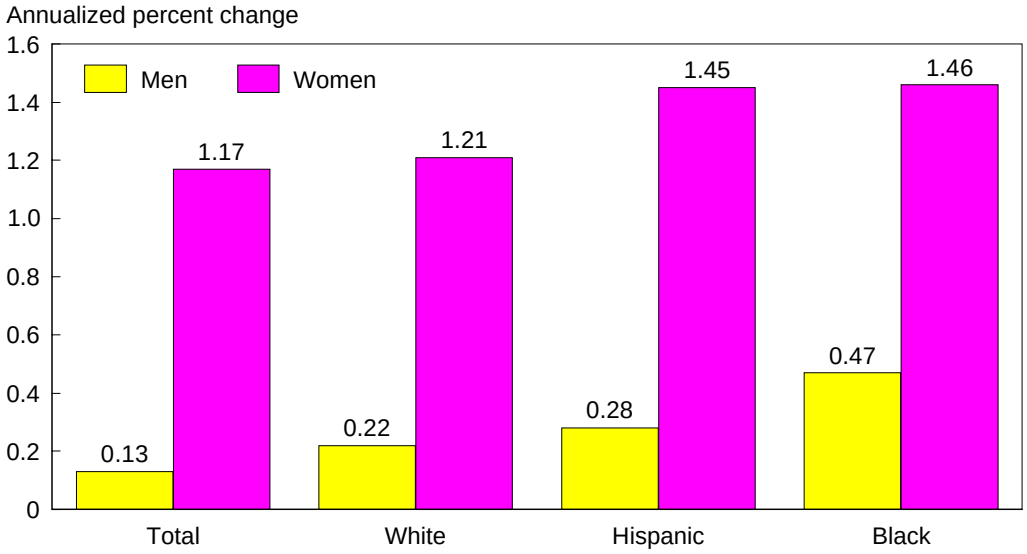
Note: Hispanics may be of any race. "Black" and "White" exclude Hispanics.

Source: Calculated by ERS using data from the Current Population Survey.

Figure 2

**Change in average weekly earnings for rural men and women, 1990-97**

*Women's earnings growth outpaced men's across all racial and ethnic groups*




Source: Calculated by ERS using data from the 1990 and 1997 Current Population Survey.

women's earnings during the 1990's, White women averaged $356 per week in 1997, compared with $300 for Blacks and $289 for Hispanics.

### Prospects for Continued Earnings Growth

The prospects for continued improvement in average weekly earnings for rural minorities largely depend on sustained economic expansion. Racial and ethnic minorities have less seniority and human capital than White workers and are more likely to hold jobs that are sensitive to economic downturns, making them vulnerable to protracted layoffs during and after business recessions. Conversely, the very low unemployment rates that the Nation currently enjoys reflect tight labor markets in which employers must often offer higher wages to attract workers. Although wages are rising slowly compared with past periods of high productivity growth and low unemployment, these conditions create a floor that prevents the wage erosion that workers without college degrees have experienced over the previous 20 years.

An important but uncertain factor in minority workers' short-term earnings prospects is the effect of Federal welfare reform, which will increase the number of workers with limited job skills and education entering the labor force. The increased labor supply for low-skill jobs, disproportionately held by Blacks and Hispanics, is expected to slow earnings growth, just as concerns have been raised about the wage impacts of large influxes of immigrants in some local labor markets. There is no consensus about the magnitude of welfare reform effects, however, because of limited information about the number of recipients expected to enter the workforce and the rate of job creation over the next few years. The impacts are likely to be felt most keenly in local areas with slow employment growth and above-average use of social welfare programs—characteristics often associated with rural areas where minority populations are concentrated. *[Robert Gibbs, 202-694-5423, rgibbs@econ.ag.gov; Timothy S. Parker, 202-694-5435, tparker@econ.ag.gov]*

# Rural Per Capita Income Grows Slightly Faster than Urban

*During 1996, rural real per capita income increased slightly faster than urban income. Income in rural minority counties also increased, but per capita income in all types of rural areas continues to lag urban income.*

According to the most recent estimates, real per capita income (in 1996 dollars) increased 2.4 percent, from $18,096 to $18,527, in rural areas during 1995-96. In urban areas, real per capita income increased by 2.1 percent, from $25,405 to $25,944. With rural income growing slightly faster than urban, the ratio of rural to urban income improved from 71.2 percent in 1995 to 71.4 percent in 1996.

Income is comprised of earnings, capital returns (dividends, interest, and net rent), and transfer payments. Rural per capita income grew faster than urban because rural earnings and transfer payments grew at faster rates than those components of urban income did. Per capita earnings and transfer payments grew by 2.5 and 2.1 percent in rural areas, compared with 2.1 and 1.7 percent in urban areas (table 1). Capital returns grew faster in urban than in rural areas, 2.9 versus 2.4 percent, but capital returns are a much smaller source of income than earnings and about the same size as transfer payments.

As discussed in the article on earnings per nonfarm job (pp. 55-58), earnings in most industries increased modestly during 1995-96, generally growing faster in urban than in rural areas. If nonfarm earnings per job and per capita earnings measured the same thing, we would have found that urban per capita earnings grew faster than rural. But earnings per job measure the average amount earned at the place of work, while per capita earnings measure the average amount of earnings of area residents, no matter where they earned their income. Increasing earnings per job does account for some of the increase in per capita earnings. Other contributing factors include faster job growth than population growth during 1995-96, which means that there were more earners relative to the population over which we divide earnings to obtain the per capita amounts. Farm earnings were much improved in 1996, compared with 1995, especially in rural areas, contributing to per capita earnings growth. And, more rural workers may have held jobs in urban areas in 1996 than in 1995. With the average earnings of urban jobs much higher than those of rural jobs, rural residents working in urban jobs probably bring home relatively high earnings. Those earnings from urban jobs are considered part of the total earnings of rural residents in the per capita earnings calculations. In sum, employment, population, and earnings growth and changes in commuting and industry of employment all play roles in per capita earnings and the faster rural than urban growth during 1995-96.

### Rural Minority County Incomes Have Improved Since the Last Recession

Rural counties where minorities account for high proportions of residents are the special topic of this issue of *Rural Conditions and Trends*. Looking at the income status of Black, Native American, and Hispanic counties since 1989 shows what has happened to the economic status of those areas since the last year of growth before the 1990-91 recession. These per capita amounts reflect the average status of all residents of these areas, not just the minority residents.

Per capita income is much lower in rural minority counties than in all rural areas. In 1996, rural counties where one-third or more of the population is Black had per capita income of $16,489, Native American counties had per capita income of $13,843, and Hispanic counties had per capita income of $14,876 (table 1). While all three types of minority counties lag the rural average, the Black counties recently have had much more income growth than the other two types. Per capita income grew slightly in all three types of minority counties during the 1990-91 recession, while overall rural and urban per capita income declined. During the recovery and growth since the recession, income in rural Black counties grew faster than income in the other minority counties and overall income in rural and urban areas. Growth in earnings, capital returns, and transfer payments all contributed to the Black counties' income growth.

Table 1

**Real per capita income, by source and place of residence, selected years**

*Earnings and capital returns recently grew more in nonmetro Black counties than in other nonmetro minority counties; transfer payments grew more in Native American counties*

| Income source and residence | 1989 | 1991 | 1996 | Annual average rate of change 1989-91 | 1991-96 | 1995-96 |
|---|---|---|---|---|---|---|
| | 1996 dollars | | | Percent | | |
| Per capita income: | | | | | | |
| Nonmetro | 17,091 | 17,009 | 18,527 | -0.2 | 1.7 | 2.4 |
| Black | 14,387 | 14,717 | 16,489 | 1.1 | 2.3 | 2.5 |
| Native American | 12,557 | 12,908 | 13,843 | 1.4 | 1.4 | 1.3 |
| Hispanic | 14,406 | 14,504 | 14,876 | .3 | .5 | 1.2 |
| Metro | 24,151 | 23,859 | 25,944 | -.6 | 1.7 | 2.1 |
| United States | 22,699 | 22,462 | 24,436 | -.5 | 1.7 | 2.2 |
| Earnings: | | | | | | |
| Nonmetro | 10,612 | 10,366 | 11,224 | -1.2 | 1.6 | 2.5 |
| Black | 9,074 | 9,037 | 9,927 | -.2 | 1.9 | 2.3 |
| Native American | 8,214 | 8,349 | 8,497 | .8 | .4 | -.4 |
| Hispanic | 8,909 | 9,039 | 8,775 | .7 | -.6 | .5 |
| Metro | 16,380 | 15,950 | 17,200 | -1.3 | 1.5 | 2.0 |
| United States | 15,193 | 14,812 | 15,985 | -1.3 | 1.5 | 2.1 |
| Capital returns:[1] | | | | | | |
| Nonmetro | 3,314 | 3,141 | 3,240 | -2.6 | .6 | 2.4 |
| Black | 2,221 | 2,178 | 2,268 | -1.0 | .8 | 2.9 |
| Native American | 1,451 | 1,347 | 1,337 | -3.6 | -.2 | 1.9 |
| Hispanic | 2,637 | 2,294 | 2,242 | -6.7 | -.5 | 2.2 |
| Metro | 4,603 | 4,429 | 4,726 | -1.9 | 1.3 | 2.9 |
| United States | 4,338 | 4,167 | 4,424 | -2.0 | 1.2 | 2.9 |
| Transfer payments: | | | | | | |
| Nonmetro | 3,166 | 3,501 | 4,064 | 5.2 | 3.0 | 2.1 |
| Black | 3,091 | 3,502 | 4,294 | 6.4 | 4.2 | 2.9 |
| Native American | 2,892 | 3,212 | 4,009 | 5.4 | 4.5 | 4.6 |
| Hispanic | 2,860 | 3,171 | 3,859 | 5.3 | 4.0 | 2.3 |
| Metro | 3,168 | 3,479 | 4,018 | 4.8 | 2.9 | 1.7 |
| United States | 3,168 | 3,484 | 4,027 | 4.9 | 2.9 | 1.8 |

Note: Earlier years' incomes were converted to 1996 dollars using the chained-type personal consumption expenditures price index.

[1]Capital returns include dividends, interest, and net rent.

Source: Calculated by ERS using data from the Bureau of Economic Analysis.

As shown in the earnings per job article, pp. 55-58, many of the Black counties have manufacturing-dependent economies and many have high levels of commuting to other counties for work. Almost none of the Native American or Hispanic counties are manufacturing-dependent or have high commuting. With manufacturing paying higher wages than most other rural industries and access to higher wage work in neighboring counties, higher earnings per capita in Black counties than in the other minority counties is understandable. But, all three minority county groups have low proportions of transportation, wholesale trade, and financial sector jobs, suggesting that they generally have smaller, less diverse economies than rural areas overall do.

### Per Capita Income Varies Less Among Rural Black Counties

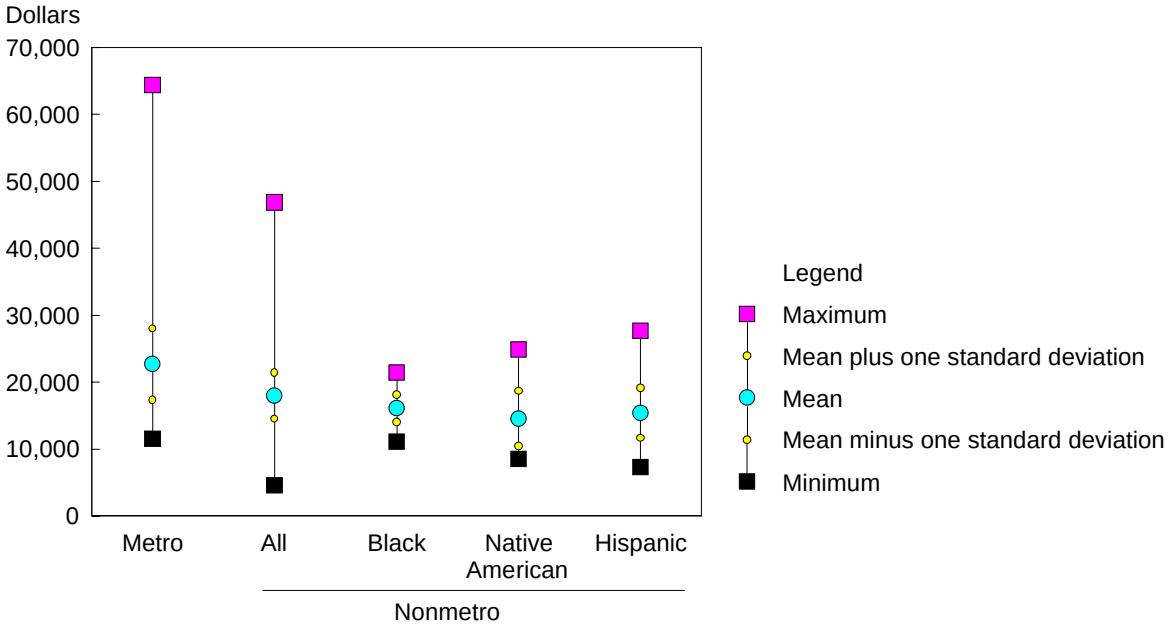
Even with income growth during the 1990's that has been comparable with or even better than overall rural growth, per capita income in the three minority groups remain well below the rural average. Examining the range of incomes of individual counties within each group provides additional insight into the economic status of the groups. The Black counties' per capita incomes fall within a very small range, from $11,033 to $21,364 (fig. 1). The income range of Native American counties is somewhat wider, from $8,508 to $24,832. And, the income range of Hispanic counties is even wider, from $7,233 to $27,648. Although the worst off Black county has per capita income nearly $4,000 higher than the worst off Hispanic county, the best off Hispanic county has a per capita income more than $6,000 higher than the best off Black county. The manufacturing bases and high commuting of many Black counties appear to provide a higher income floor, but not a higher income ceiling.

Another way to investigate the diversity in per capita income among minority counties is to look at trends for the substantial (one-third up to one-half minority) and predominant (one-half or more minority) subgroups of counties within each minority group. Within each minority county group, the substantial minority subgroup has higher per capita income than the predominant minority subgroup (see app. table 10, p. 130). But the gap between the substantial and predominant Black counties' incomes is much narrower ($1,865 in 1996) than between the other minority county subgroups ($3,075 between the Native American subgroups and $4,010 between the Hispanic subgroups). The substantial and predominant Black counties each had higher per capita income in 1996 and faster growth during 1995-96 than their counterparts in the Native American and Hispanic county groups. *[Linda M. Ghelfi, 202-694-5437, lghelfi@econ.ag.gov]*

Figure 1

**Ranges of per capita incomes among counties, by racial/ethnic status, 1996**

*Athough the group of Black counties averages higher income than the other minority groups, a few Native American and Hispanic counties have higher per capita incomes than any of the Black counties*




Note: Two-thirds of Black counties and about three-quarters of the counties in each of the other categories have per capita income within plus or minus one standard deviation of the mean.
Source: Calculated by ERS using data from the Bureau of Economic Analysis.

# Growth in Rural Transfer Payments for Some Public Assistance Programs Offsets Sharp Declines in Others

*In the face of a strong economy, growth of nonmetro and metro per capita transfer payments to individuals slowed steadily during the 1990's, although transfers continued to grow slightly faster in nonmetro areas. Per capita transfer payments in most major program categories either slowed or declined, but not all individual programs responded in the same way. In the public assistance category, per capita transfers of nonmetro and metro per capita transfers for Aid to Families with Dependent Children (AFDC) and food stamps declined markedly, with AFDC per capita benefits declining more sharply in nonmetro than in metro areas. At the same time, the growth rate for per capita transfers for "other income maintenance programs" quickened. Nonmetro counties with large minority populations had higher per capita payments for all public aid programs, indicating a greater reliance on public assistance in these counties.*

Rural Americans received $208 billion of over $1 trillion of national cash and in-kind benefits transferred to individuals by Federal, State, and local governments in 1996. On a per capita basis, this amounted to $3,894—up from $3,318 in 1989 and $3,709 in 1994 in real dollars. In comparison, real per capita transfers to urban Americans grew from $2,999 in 1989 to $3,677 in 1994 to $3,841 in 1996. At the beginning of the decade, nonmetro per capita transfers exceeded metro transfers by over $300. By 1996, metro per capita transfers lagged nonmetro by only $53. Although per capita transfer payments were similar, government transfers accounted for a larger share of nonmetro than metro personal income—21 percent versus 15 percent (app. table 11).

Major public spending on cash transfer payments traces back to the Social Security Act of 1935 that spawned programs like Social Security and forerunners to Unemployment Insurance, Supplemental Security Income (SSI), and Aid to Families with Dependent Children (AFDC). The establishment of other cash and in-kind benefit programs—food stamps, Medicare, Medicaid—followed during the 1960's and 1970's.

In August 1996, Congress enacted major Federal legislation to reform the public welfare system. Unlike earlier efforts to reform welfare, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) altered the scope and structure of most major public aid programs. The act's provisions also replaced AFDC, the 61-year-old Federal welfare program, with Temporary Assistance for Needy Families (TANF), a system of State-run low-income assistance programs funded by Federal block grants. While it is too soon to fully assess its impacts, this article's results suggest that the anticipation of impending changes in the welfare system along with other policy changes, bolstered by a favorable economy, may already be reshaping public spending for public aid programs.

### Six Out of 10 Public Assistance Dollars Are for Medicaid Benefits

The proportional composition of nonmetro and metro transfer payments is remarkably similar. Social insurance programs (Social Security, Medicare, and retirement and disability programs) represented the overwhelming share of transfer spending in 1996. Programs to aid low-income families and children (income maintenance programs and Medicaid) accounted for about one-quarter of rural transfers. Of the $52 billion that rural areas received for public assistance programs, over three-fifths went for Medicaid health benefits. Food stamps, SSI for elderly and disabled citizens, and miscellaneous "other income maintenance" programs (including the Earned Income Tax Credit (EITC), general assistance, emergency assistance, and other small programs) contributed about one-third of rural public assistance dollars. The remaining 5 percent went for welfare benefits under AFDC (fig. 1).

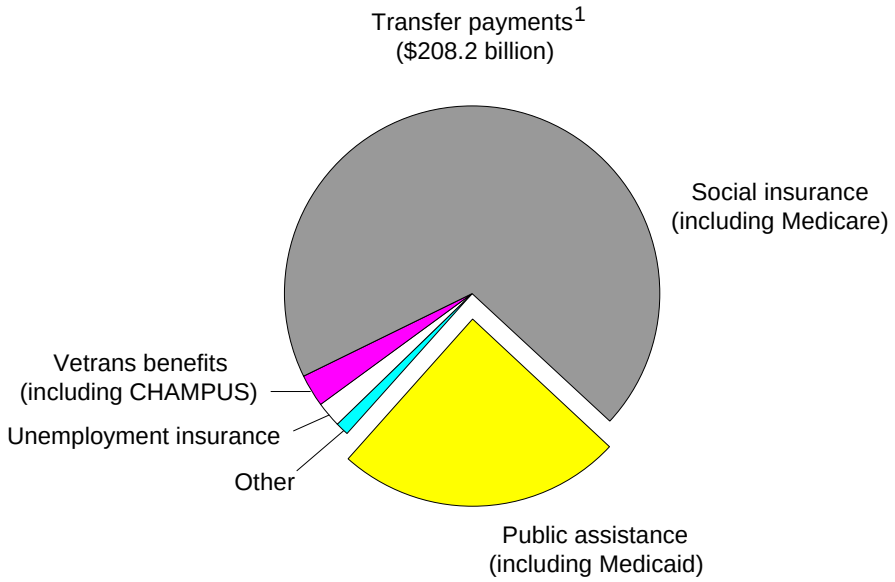
### Rural Transfers Continue to Grow Slightly Faster than Urban Transfers

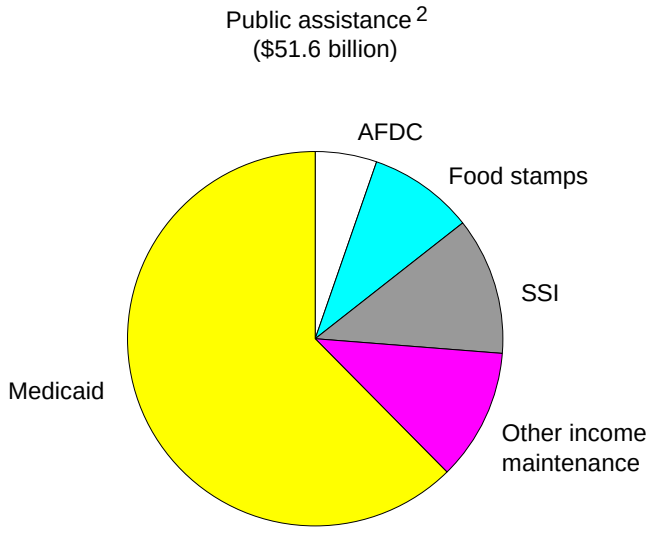
The rates of annual change in transfer payments generally wax and wane with changes in the national economy. Federal, State and local transfer dollars increase to buffer the effects of economic recessions on local economies and slow when the economy is strong. During the late 1980's, transfer payments were growing at a rate of under 2 percent per year. In response to the 1990-91 recession, annual growth rates increased sharply, reaching nearly 7 percent in 1990-91 and 1991-92 in nonmetro and metro areas. As the economic recovery gained strength, the metro and nonmetro transfers growth rate slowed dramatically reaching a low of about 1 percent or less in 1993-94. In 1995-96, the nonmetro annual growth rate stood at 2.2 percent—slightly higher than the metro rate

Figure 1

**Sources of nonmetro transfer spending, 1996**

*Social insurance and public assistance programs account for 95 percent of nonmetro transfer payments*




[1]Transfer payments to individuals—96 percent of total transfers.

[2]Includes Medicaid and the income maintenance programs—Aid to Families with Dependent Children (now Temporary Assistance for Needy Families), food stamps, Supplemental Security Income, and "other income maintenance." The latter consists of general assistance, emergency assistance, refugee assistance, foster home care payments, Earned Income Tax Credits, and energy assistance.

Source: Calculated by ERS using data from the Bureau of Economic Analysis.

of 1.8 percent. Since the early 1980's, nonmetro transfers growth has slightly surpassed metro growth in all years but one (fig. 2).

During the most recent 5-year period, per capita transfers' annualized growth rates for the three major program categories, which represented the bulk (over 95 percent) of nonmetro and metro 1996 transfer dollars, either slowed or declined in response to economic recovery (app. table 11). Between 1991-96, per capita retirement and disability benefits grew slowly at rates well under 2 percent per year. The growth of per capita medical benefits has slowed from rates exceeding 10 percent during 1989-91 to about 7 percent or more per year (both nonmetro and metro) during 1991-94 to around 5 percent during 1994-96. Of the program categories, medical transfer payments continued to grow most rapidly. Growth rates in the income maintenance category, which had begun to slow during 1991-94, shrank to 0.93 percent in nonmetro and -0.43 percent in metro areas by 1994-96, but not all individual programs responded alike (app. table 11).

### AFDC Benefits Decline More Rapidly in Rural than Urban Areas

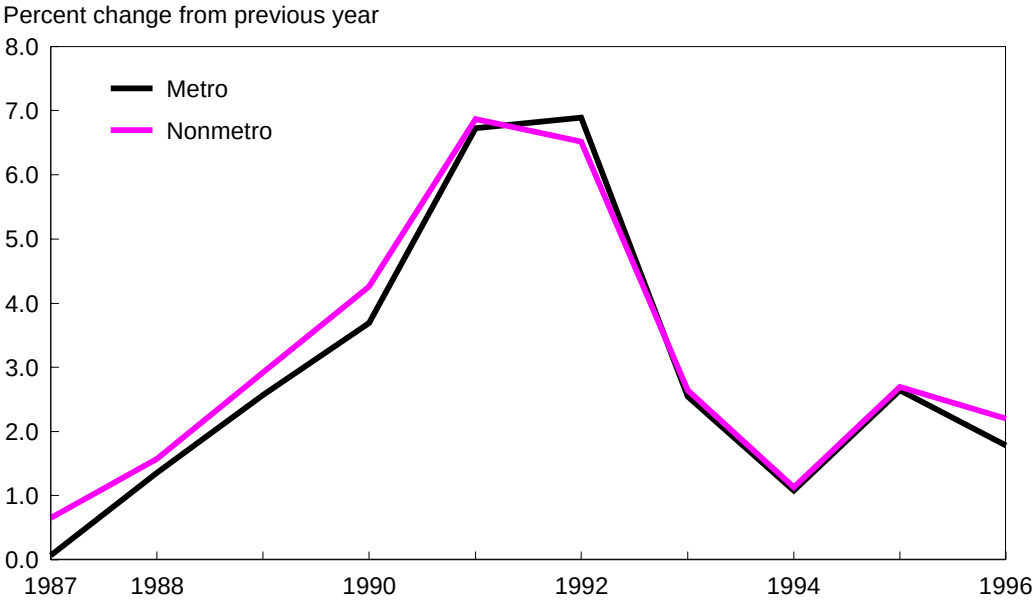
Growth rates in per capita transfers for the major income maintenance programs and Medicaid either slowed or declined, but per capita transfers for programs subsumed under "other income maintenance programs" grew substantially during 1994-96. These trends began to develop during the post-1991 economic recovery.

The growth rates in nonmetro and metro Medicaid benefits, which grew rapidly during the early 1990's, slowed to about 3 percent per year, and SSI growth slowed markedly during 1994-96. Per capita benefits for two of the three major income maintenance programs—AFDC and food stamps—declined rapidly. Nonmetro and metro food stamp payments declined at about the same rate. AFDC per capita benefits, however, declined more sharply in nonmetro than in metro areas (an average annual change of -11.0 percent versus -8.3 percent) (fig. 3).

Figure 2

**Annual change in real per capita transfer payments, by residence, 1987-96**

*Growth in government transfer payments to individuals leveled off following the recessionary periods early in the 1990's*

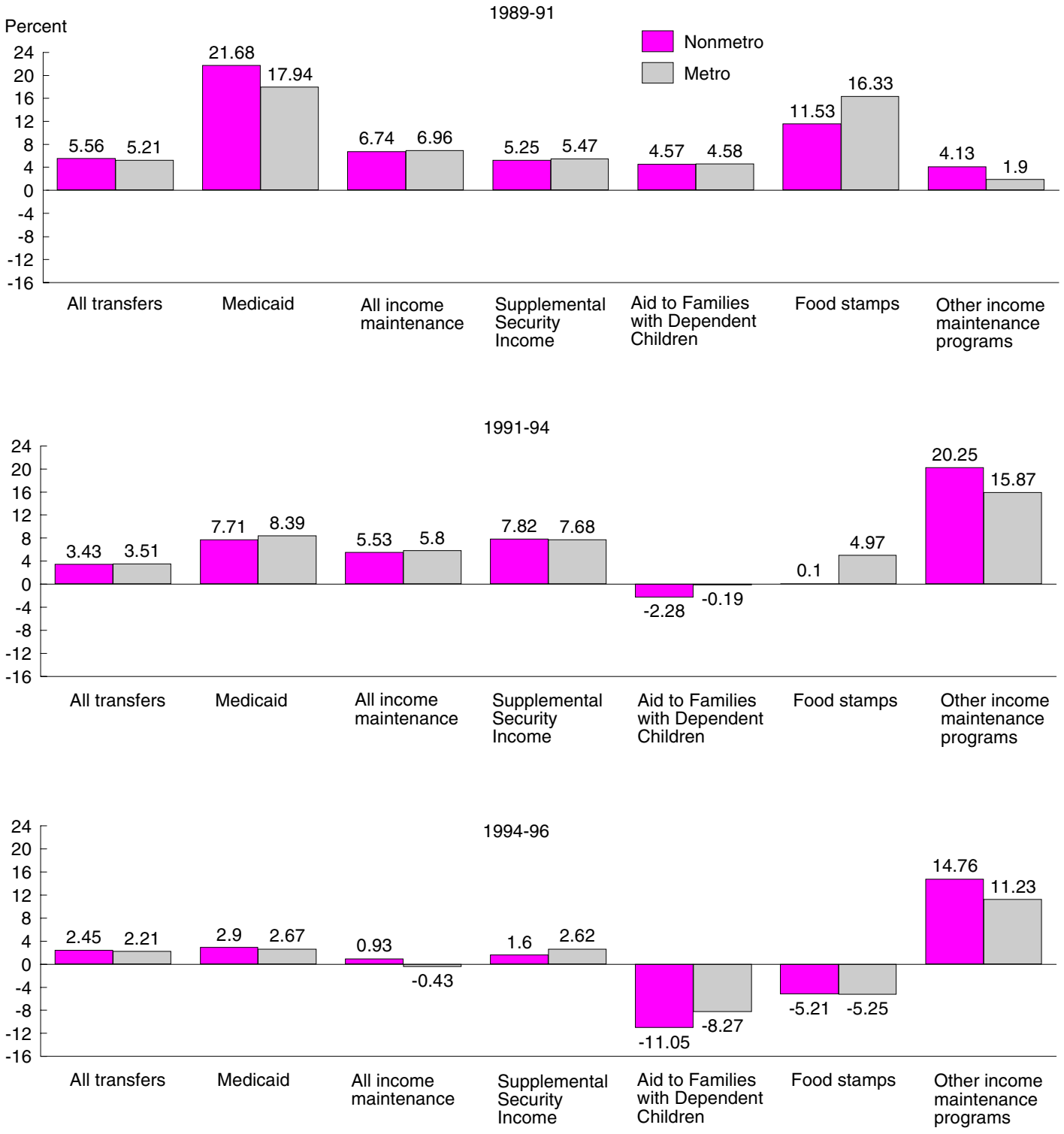



Source: Calculated by ERS using data from the Bureau of Economic Analysis.

Figure 3

**Average annual change in transfer payments for selected programs, by residence, 1989-91, 1991-94, and 1994-96**

*Nonmetro benefits declined more rapidly than urban benefits during 1994-96*




Source: Calculated by ERS using data from the Bureau of Economic Analysis.

On the other hand, transfers for "other income maintenance programs"—EITC, general assistance, emergency assistance and others—grew at rates much faster (14.7 percent in rural and 11.2 percent in urban areas) than rates for all transfers or any of the other programs (fig. 3).

The reasons for the current trends in public assistance programs are not fully known. A recent ERS analysis demonstrates that declining AFDC caseloads mainly account for declining AFDC benefit payments, but not for the swifter decline in nonmetro benefits. Rather, the nonmetro difference may be traced to disproportionate nonmetro declines in average benefit payments per child. Some of the factors that may underlie the pattern of change include more favorable economic conditions, which have opened up new jobs in local labor markets, thus diminishing the need for public assistance; significant policy changes in State and Federal public aid programs over the past few years; and resultant changes in client populations and behavior.

As noted above, the enactment of PRWORA and its provisions affected the scope and operation of the major public assistance programs—AFDC, SSI, food stamps, and Medicaid. Furthermore, PRWORA broadened the States' role and responsibility for designing and operating their State programs tailored to meet local conditions and needs. Many States, however, had already begun to revamp their welfare programs under Federal waivers granted even before the enactment of PRWORA. Between 1993 and August 1996, the Department of Health and Human Services (HHS) granted waivers to 43 States and the District of Columbia to develop their own State welfare programs. Furthermore, PRWORA's provisions allow States the option of choosing to operate under their State waivers as long as they are in effect, even if waiver provisions are inconsistent with PRWORA provisions.

Thus, the recent declines in AFDC and food stamp benefits reflect, to some extent, the new policies and practices instigated by State waiver programs along with possible client responses to pending changes from the implementation of PRWORA provisions that would tighten eligibility requirements, set time-limits for client groups, and convert Federal welfare funds to fixed State block grants. The faster declines in AFDC benefits in nonmetro than metro areas are consistent with published statistics showing that States with disproportionately large rural and/or minority populations have traditionally paid low welfare benefits, which may affect the amount of TANF Federal block grants available to predominantly rural States to run their own State programs (see *Rural Conditions and Trends*, Vol. 8, No. 1, 1997, pp. 38-47).

Rising benefits in "other income maintenance programs" may signal that, in the face of a changing public welfare arena, clients are relying more on State programs like general assistance or emergency assistance for short-term help. Another reason explaining the growth in "other income maintenance programs" is policy changes in the Earned Income Tax Program (EITC), causing public costs to double between 1992-96. We should be able to make more definitive statements about underlying causes after the 1997 data become available.

### Dependence on Transfer Payments Differs Among Rural County Types

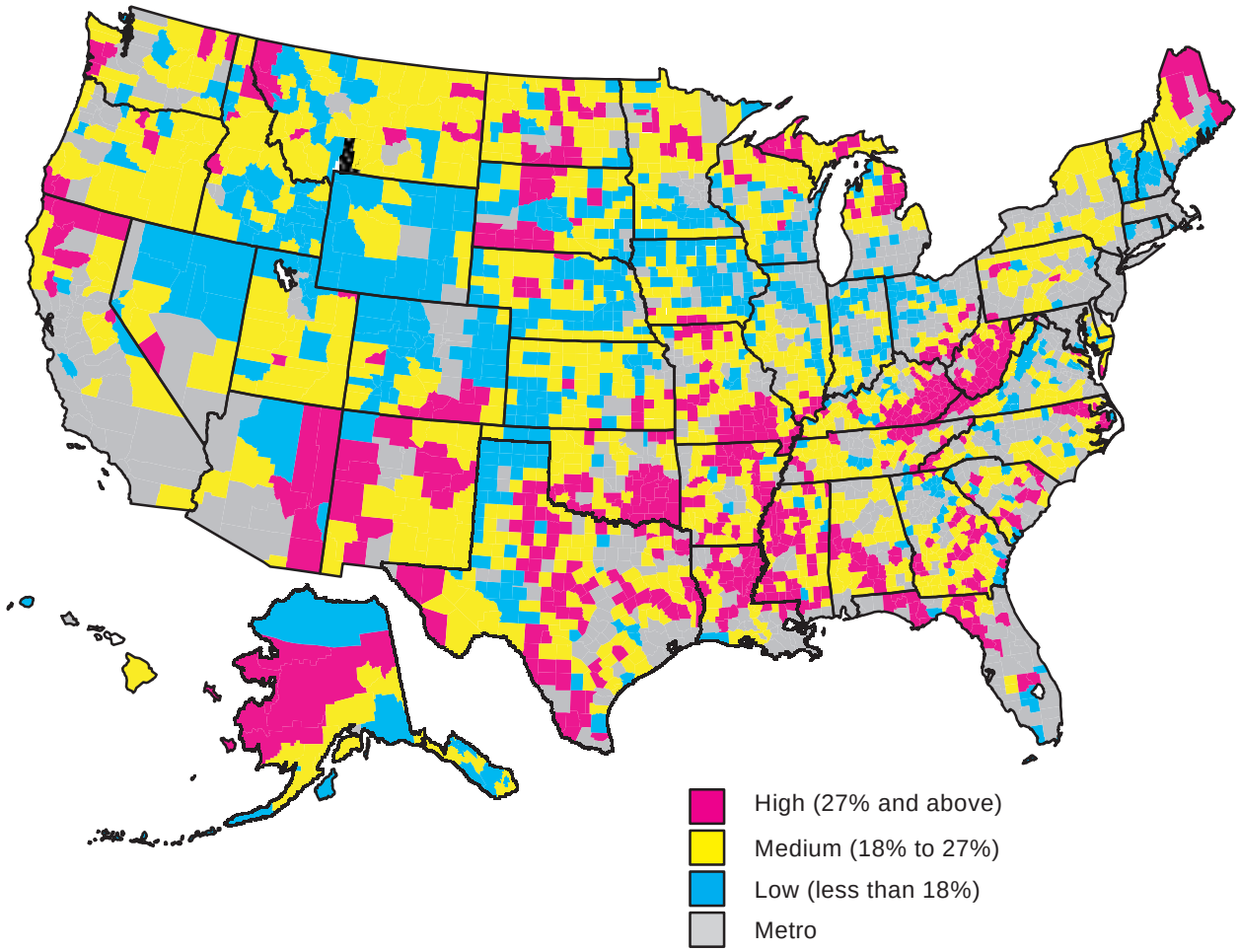
The level and program mix of transfer payments varied geographically and among different types of nonmetro counties in 1996. With $4,308 per capita, residents in retirement-destination counties relied more on transfer benefits than all nonmetro residents, but over half of the benefits came from transfers connected with social insurance programs and Medicare. In comparison, the 535 counties with persistently high poverty rates received higher shares of transfer benefits from income maintenance programs and Medicaid but lower shares from social insurance programs (app. table 12).

The levels of rural per capita transfers also varied regionally. Nonmetro residents living in the Northeast and South received higher per capita benefits than residents in the Midwest and West. Moreover, counties highly dependent on income from transfers—the top 25 percent of nonmetro counties that derived 27 percent or more annual average county per-

sonal income from transfers during 1994-96—were concentrated in certain areas of the country (fig. 4). (In one rural county, transfer payments represented 55 percent of its personal income.) High transfer counties are concentrated in the Appalachian areas of West Virginia and Kentucky, the Black Belt counties of the Deep South including the Mississippi River Delta, parts of Texas with high Hispanic populations, Western counties with large Native American populations, retirement areas in the Ozark region, upper New England, and parts of northern Florida and northern California. High-transfer counties received $4,696 per capita transfer benefits from all programs in 1996. On a county basis, their per capita transfers ranged from a high of $8,642 to a low of $2,158 (app. table 12).

In addition, high-transfer counties were disproportionately found among persistent poverty counties and counties with large concentrations of minority population. Nearly 70 percent or more of counties where a single minority group—Black, Native American, or Hispanic—constituted a majority of the population were also high-transfer counties (app. table 12).

Figure 4
**Nonmetro county dependence on government transfer payments, 1994-96**
*High-transfer counties include many minority counties*




Source: Calculated by ERS using data from the Bureau of Economic Analysis.

### Hispanic Counties Receive Lower per Capita Transfer Payments

Based on unusually high poverty rates among minorities (reported elsewhere in this issue), we expected all of the minority county types to have high per capita transfer payments. The picture is more mixed, however. Compared with all nonmetro counties, total per capita transfer benefits in both substantial and predominant Black counties and predominant Native American counties were substantially higher than the per capita benefits for all nonmetro counties, but the per capita amounts in all other minority counties were lower (app. table 12).

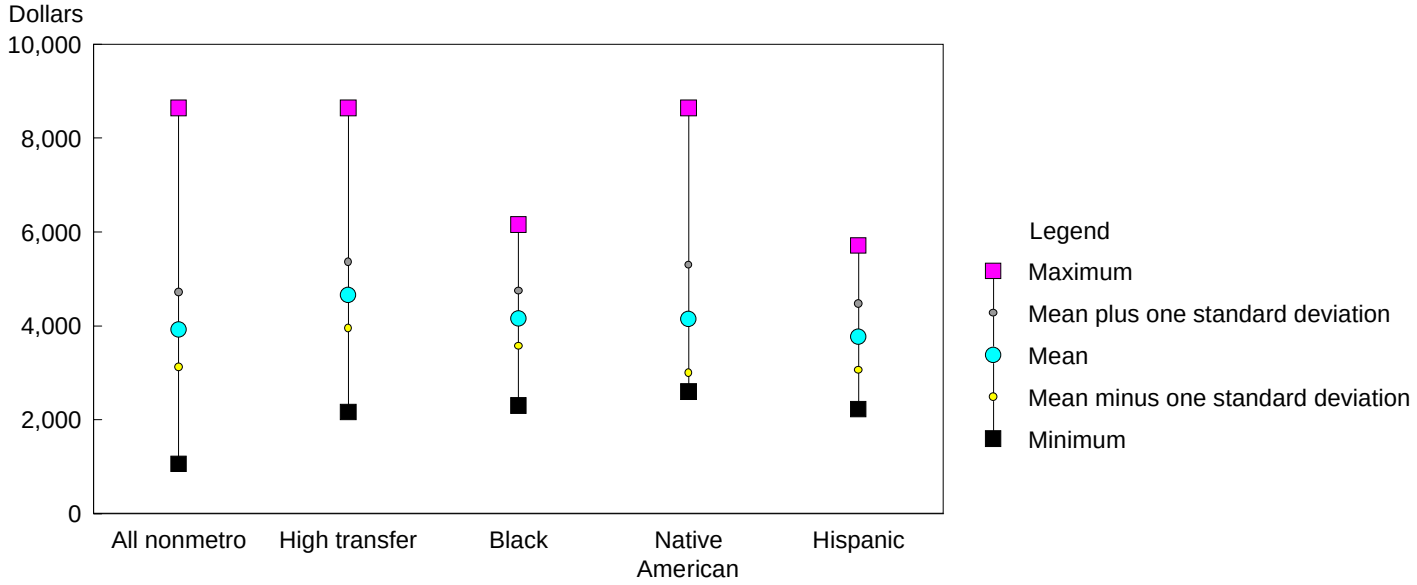
The patterns shift somewhat when we examine the average (mean) county per capita transfers and county variations within each of the county minority groups instead of the aggregate per capita transfers for the different minority groups (fig. 5). Based on the county averages, per capita transfer payments for Black counties ($4,153) and Native American counties ($4,141) exceeded the nonmetro county average, while the county average for the Hispanic counties ($3,763) was lower than the all nonmetro average. The narrow range of per capita transfers for Black counties suggests consistency in the levels of transfers' income among these counties. Moreover, the amount of the average county per capita transfers varied according to the designation as a substantial or predominant minority group (not shown). The average county benefits for predominantly and substantially Black counties and predominantly Native American counties were above and the county benefits for substantially Native American and substantially and predominantly Hispanic counties were below the all nonmetro county average.

The lower minority eligibility and participation rates for some programs may partly explain the lower county average per capita transfers in the Hispanic counties. As noted elsewhere in this issue, the Hispanic population has a lower age structure than other minority populations, which would influence minority participation in the social insurance programs. In addition, Hispanics who are illegal aliens have always been ineligible for most major social insurance and public assistance transfer programs and PRWORA provisions

Figure 5

**Mean and ranges of per capita transfer payments, by nonmetro county types, 1996**

*While per capita transfer payments are highest in Black counties, considerable variation exists among counties in each minority group*




Source: Calculated by ERS using data from the Bureau of Economic Analysis.

place new limitations on legal immigrants' eligibility for certain programs. However, immigrants are eligible to participate in several public programs, especially those geared toward children, such as the school lunch program and Medicaid. It is also important to keep in mind that minority counties include nonminority residents whose characteristics influence the amount of per capita transfers received by a given county.

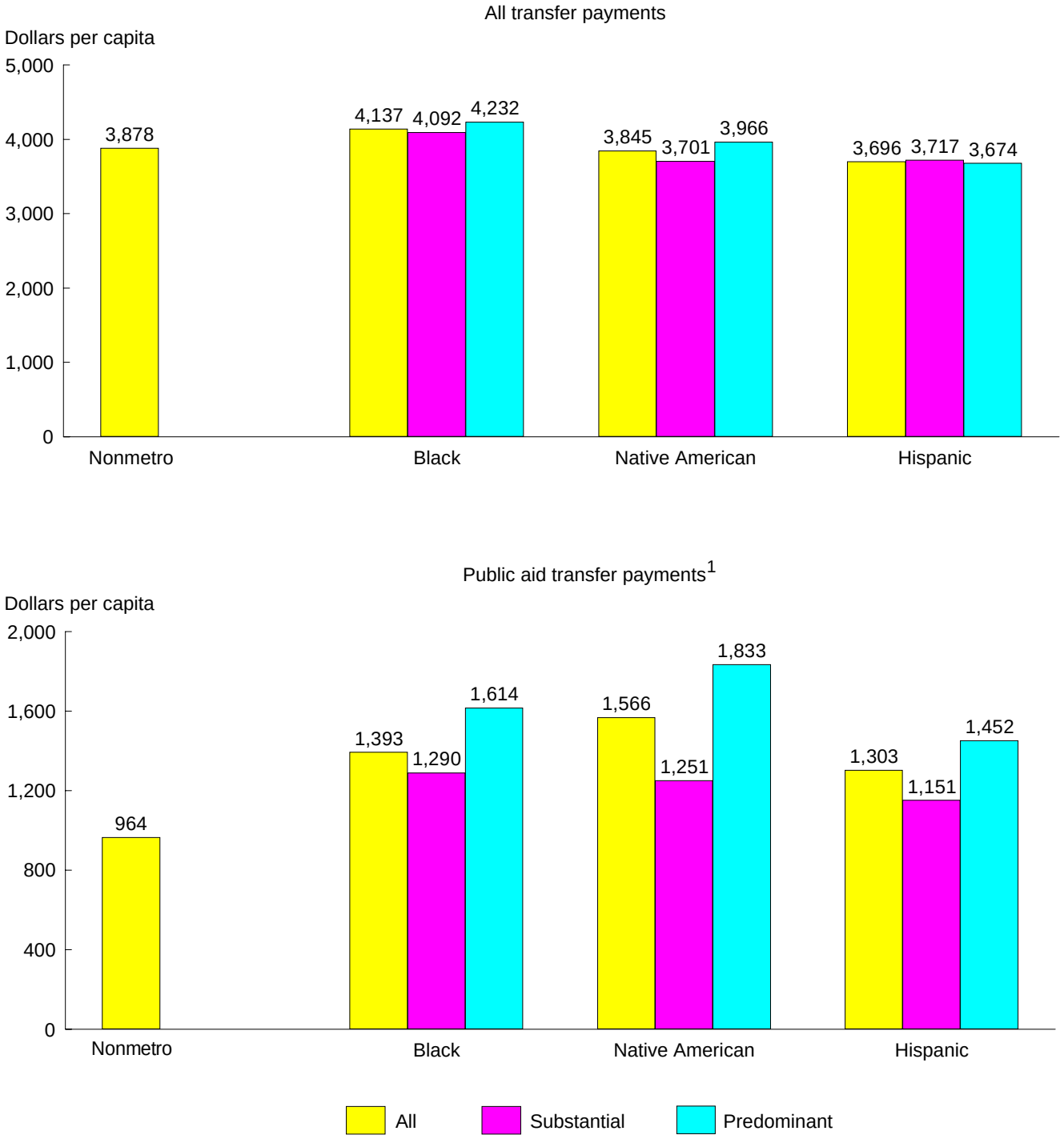
**Minority Counties Rely Heavily on Public Aid Benefits**

The results clearly show that all categories of minority counties relied heavily on income transfers from public assistance programs in 1996 (fig. 6). Per capita public assistance transfers in all of the minority groups were at least 20 percent higher than the nonmetro per capita payments for all of the minority groups and ranged upward to 90 percent higher in the predominant Native American counties. Per capita amounts increased as the share of minority representation reached the majority mark in all the minority categories. Furthermore, the pattern of higher per capita public assistance transfers was consistent across all public assistance programs (app. table 13). It will be interesting to observe whether or not these patterns hold true in the post-PRWORA era when newer data become available. *[Peggy J. Cook, 202-694-5419, pcook@econ.ag.gov]*

Figure 6

**Nonmetro per capita transfer payments, by minority county type, 1996**

*Counties with high concentrations of Black population rely more heavily on transfer payments than other minority counties while all high minority counties depend heavily on public aid transfer benefits*




[1]Includes income maintenance programs and Medicaid.

Source: Calculated by ERS using data from the Bureau of Economic Analysis.

# Sources of Rural Household Income Vary by Demographic Groups

*The differences in the sources from which households receive cash income and other in-kind benefits are especially striking when rural households are compared by racial and ethnic groups. The share of rural household income from earnings ranges from about 72 percent for Whites and Blacks to 80 percent for Hispanics. Capital returns account for 6 percent of Whites' income, but only 1.3 percent of Blacks' and Hispanics' income. Social insurance programs contribute 18 percent for Whites, 13 percent for Blacks, and 10.4 percent for Hispanics. The share of income from government assistance programs range from 3.3 percent for Whites to 8 percent for Hispanics and 12 percent for Blacks.*

Total income available to a household derives from a number of cash and in-kind sources. The composition of household income and the relative importance of different income sources among rural and urban households and among rural racial and ethnic groups provide a way to assess the well-being of these household groups. Household income is grouped into four categories for this analysis: earnings from wage and salary jobs and self-employment; capital returns from dividends, interest, and rents; income from social insurance programs, such as Social Security, pension or retirement benefits, and the fungible value of Medicare; and income from government assistance programs, such as unemployment insurance or the market value of food stamps (see "Definitions").

Rural household income averaged (mean) $35,139 in 1996, 25 percent less than urban household income ($46,984). Rural and urban households are similar in the composition of income and shares of income by source. Differences arise when comparing rural households by racial and ethnic groups. Rural White households rely more on social insurance programs and capital returns and less on government assistance than do rural Black and Hispanic households.

### Minorities Rely More Heavily on Transfer Income than Whites

The share of rural household income from earnings ranges from about 72 percent for Whites and Blacks to 80 percent for Hispanics (fig. 1). In contrast, capital returns represents 6 percent of Whites' income, but only 1.4 percent of Blacks' income, and 1.3 percent of Hispanics' income. Social insurance programs contribute 18 percent for Whites, 13 percent for Blacks, and 10.4 percent for Hispanics. Income shares for government assistance programs range from 3.3 percent for Whites to 8 percent for Hispanics and 12 percent for Blacks.

The composition of government assistance programs varies between rural and urban areas and among racial and ethnic groups within rural areas (fig. 2). Aid to Families with Dependent Children (AFDC) plus general assistance, along with other assistance for education, housing, and energy add up to a smaller share of government assistance programs for rural than urban households (36 versus 24 percent). Other programs take on a larger share for rural households, including the Earned Income Tax Credit (by 30 percent), food stamps and the school lunch program (by 18 percent), and Medicaid (by 11 percent). The rural-urban difference in shares of household income for the other two programs, Unemployment Insurance and Supplemental Security Income (SSI), are less than 10 percent.

Average household income from government programs varies considerably among racial and ethnic groups. The most notable differences occur with SSI, food stamps and the school lunch program, and the Earned Income Tax Credit (fig. 2). For rural Blacks, the average household benefits from SSI are nearly four times that of rural Whites and rural Hispanics. This is due to the importance of SSI to the rural elderly Black households.

Rural Black households, on average, receive 4.5 times the amount of food stamp benefits received by rural White households. Rural Hispanics receive 2.8 times that of rural White households. The larger amount for rural Hispanics is consistent with the difference in poverty rates, which for rural Blacks and Hispanics is nearly 3 times that of rural Whites (see the article on rural poverty rates, p. 81). Why rural Black households receive a disproportionate amount of support from food stamps and the school lunch program is partially explained by a larger participation rate for the Food Stamp program among those eligible. Other possible explanations are household size and income levels when calculating food stamp benefits for those who participate.

For the Earned Income Tax Credit, the average rural Black household receives 3 times the amount received by rural White households. Rural Hispanics receive 3.4 times that of rural White households. For AFDC and general assistance, rural Black households average 2.3

### Definitions: Households and Their Sources of Income

Data on households and their sources of income are from the March 1997 Current Population Survey (CPS) and refer to income in 1996. For our analysis, we distinguish household units which are economically independent even if they live at the same address, so unrelated families and unrelated individuals are treated as separate household units. Households are defined as (1) all persons living in a housing unit who are related by blood, marriage, adoption, or other legal arrangements; or (2) a person living alone or sharing a household with others, or living as a roomer in a private home or lodging house or in permanent living quarters in a hotel or motel, but who is financially independent.

We also make several exceptions by omitting certain households that are included in the CPS. First, we exclude households whose head is in the military but they live off-base, whereas CPS only excludes households whose head is in the military and they live on-base. Second, we exclude households whose self-employed income leads to a large negative income for the year.

For the sources of household income, the imputed value of in-kind government transfers are included along with cash or money income. We group the sources of household income into four categories for our analysis: "earnings" from labor as hired workers and self-employed; "capital returns" from dividends, interest, and rents; "social insurance programs" from workers compensation, Social Security, veterans' payments, survivor benefits, disability benefits, pension or retirement income, and the fungible value of Medicare; and "government assistance programs" primarily from means-tested transfer programs (fig. A).

Government assistance programs consist of seven program categories: unemployment insurance, Supplemental Security Income (SSI), Aid to Families with Dependent Children (AFDC) and general assistance (public assistance), Earned Income Tax Credit, the fungible value of Medicaid, the market value of food stamps and the school lunch program, and "other assistance" for education, housing, and energy (fig. B).

"Inter-household transfers" from alimony, child support, and financial assistance as well as the CPS category of "other income" are excluded in our analysis, except for the inter-household transfers in the discussion of rural poor single adults with children. On average, these two income sources amount to only 0.66 percent and 0.18 percent of household income. For rural poor single adults with children, inter-household transfers account for 6 percent of income.

Government transfer programs are divided into two categories: "government assistance programs" and "social insurance programs." (This treatment of government transfer programs using data from the CPS differs from the treatment of government programs in a previous article on rural transfer payments which uses the Bureau of Economic Analysis (BEA) transfers data.)

To compare the importance of different income sources among household groups, we use mean income by source for each household group. Mean income by source is the amount obtained by dividing the income from a source for a group by the number of household units in that group, even when some household units in a group did not receive income from a particular source.

Figure A
**Sources of rural household income, 1996**
*Earnings represent the overwhelming majority of rural household income*

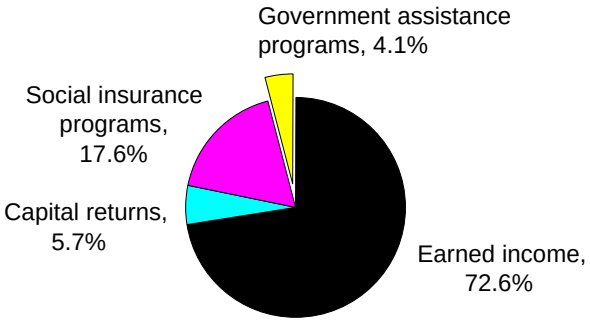
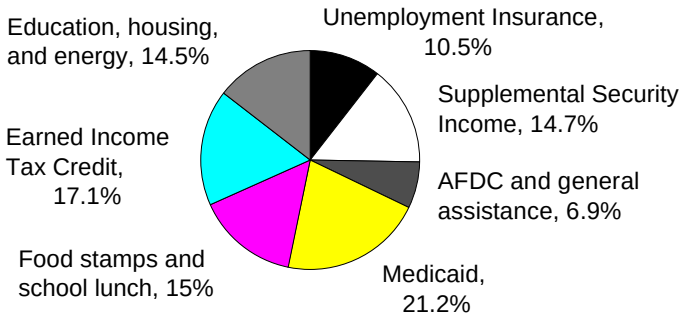



Figure B
**Government assistance programs to rural households**
*Government assistance programs are distributed fairly evenly among different programs*

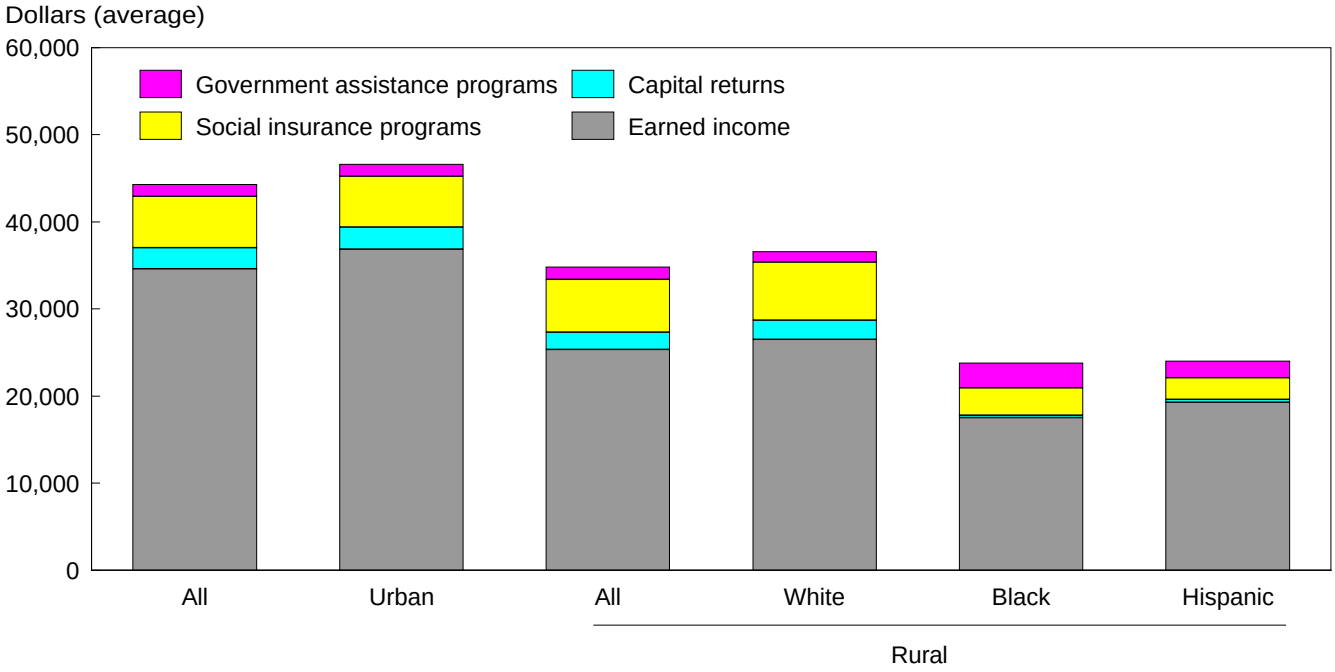



Source: Both figures A and B prepared by ERS using data from the March 1997 Current Population Survey.

Figure 1

**Sources of household income, by residence and racial and ethnic groups, 1996**

*Earned income is considerably lower for minorities*

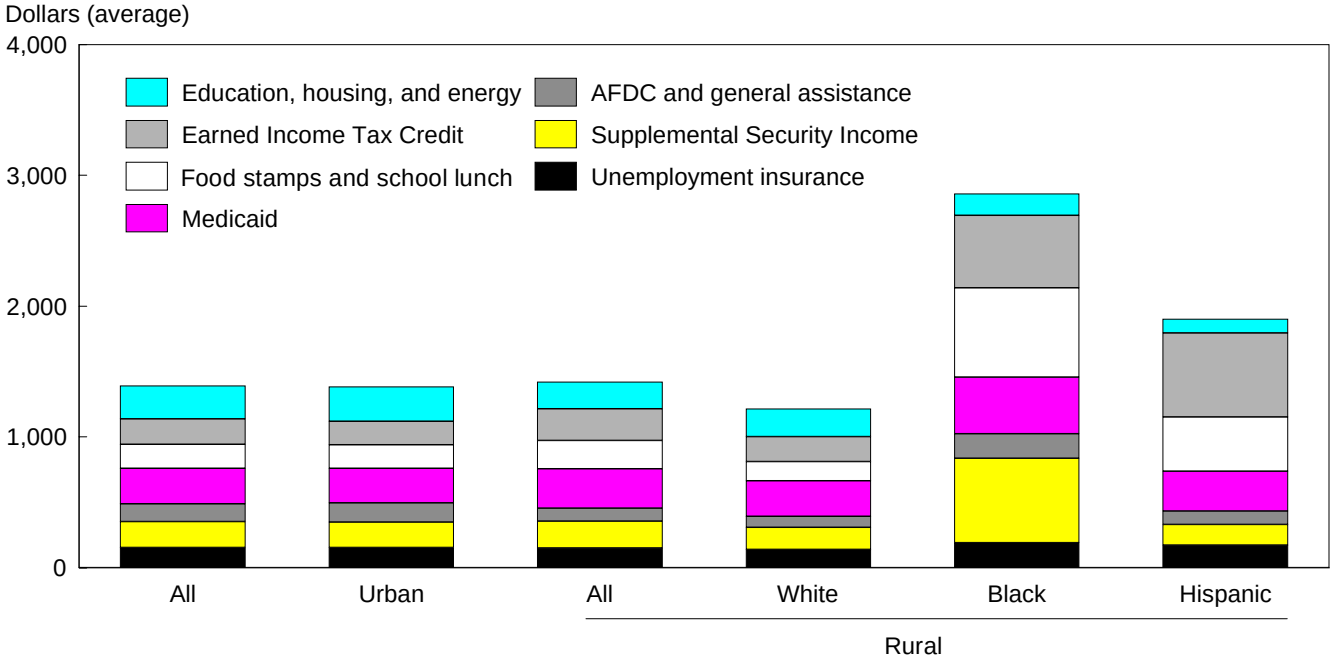



Source: Prepared by ERS using data from the March 1997 Current Population Survey.

Figure 2

**Income from government assistance programs, by residence and racial and ethnic groups, 1996**

*Transfer income is most important to Blacks and Hispanics*




Source: Prepared by ERS using data from the March 1997 Current Population Survey.

times the amount received by rural White households. Rural Hispanics receive only 1.2 times that of rural White households. The difference for rural Black and Hispanic households is smaller than expected due to differences in poverty rates, and factors other than income may influence the differentials in AFDC and general assistance payments. One reason is that rural Blacks live in States that pay low AFDC benefits, which is less true of rural Hispanics. Other reasons may be related to differences in participation rates for those eligible, and household size.

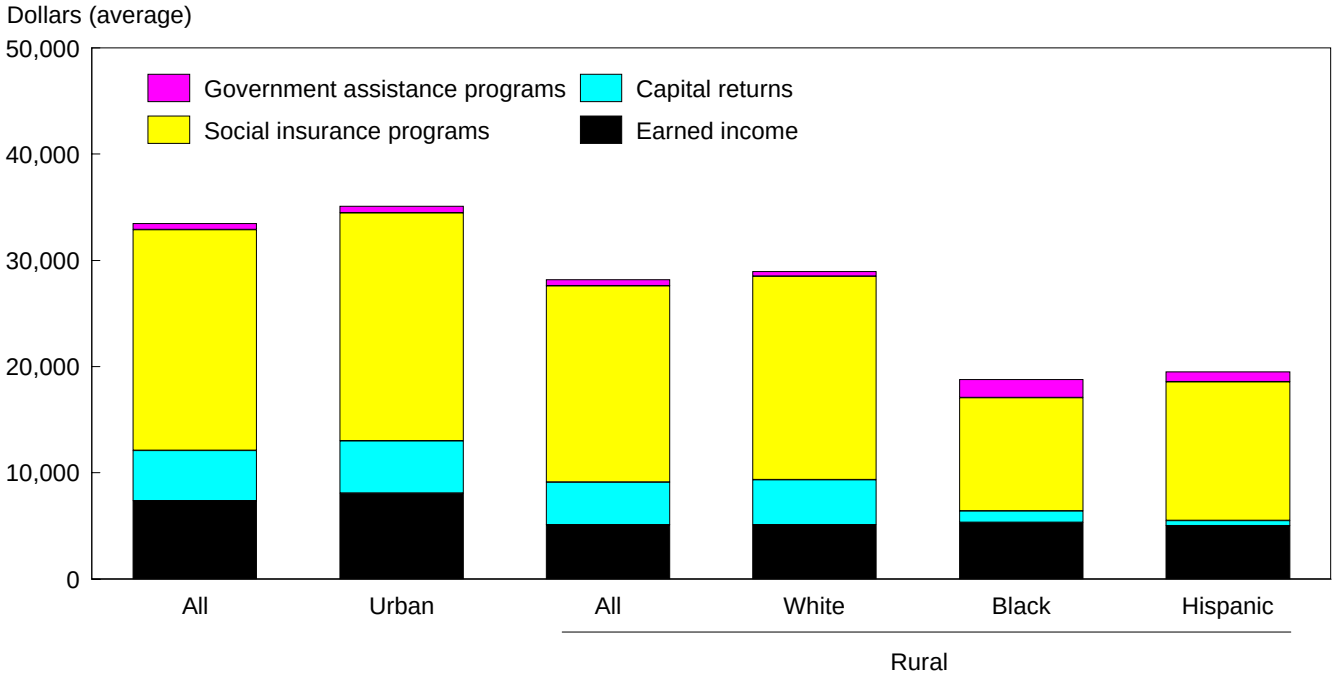
### Rural Elderly Households Rely on Social Security and Medicare

Elderly households rely on a different mix of income sources than the younger population (fig. 3). Social insurance programs account for 66 percent of the rural elderly household income. This is slightly higher than the 61 percent for urban elderly households. Rural Black elderly households receive only 57 percent of their income from these sources, making up the difference through earnings.

Overall, rural and urban elderly households receive an average of 22 percent of their income from earnings, one-third of the earnings share for all rural households. The range of earnings' shares among rural elderly racial and ethnic groups has its low of 17.5 percent for White households and its high of 28.3 percent for Black households. For rural elderly Blacks, a greater share of their income comes from earnings because they receive less from Social Security.

Capital returns for rural elderly households amount to 14.2 percent of total income, which is greater than the 5.7 percent for all rural households. Still, rural Black elderly households only receive 5.8 percent of their income from capital returns, while rural Hispanic elderly households receive even less at 2.4 percent. Government assistance programs account for only 2 percent of either all elderly household or all rural elderly household income. Differences exist among the rural ethnic groups. White rural elderly households receive 1.5 percent from government assistance programs, while Blacks receive 9 per-

Figure 3
**Rural elderly household income, by residence and racial and ethnic groups, 1996**
*Social insurance programs and Medicare are the main sources of income*




Source: Prepared by ERS using data from the March 1997 Current Population Survey.

cent and Hispanics receive 5 percent. The large share for rural Black elderly households is due primarily to large SSI payments. Rural Blacks receive lower Social Security payments, which results in a greater dependence on SSI. Larger than average Medicaid and food stamp payments also contribute to the larger share for government assistance programs to rural Black elderly households.

### Poor Single Adult Households with Children Receive Less Income from Earnings

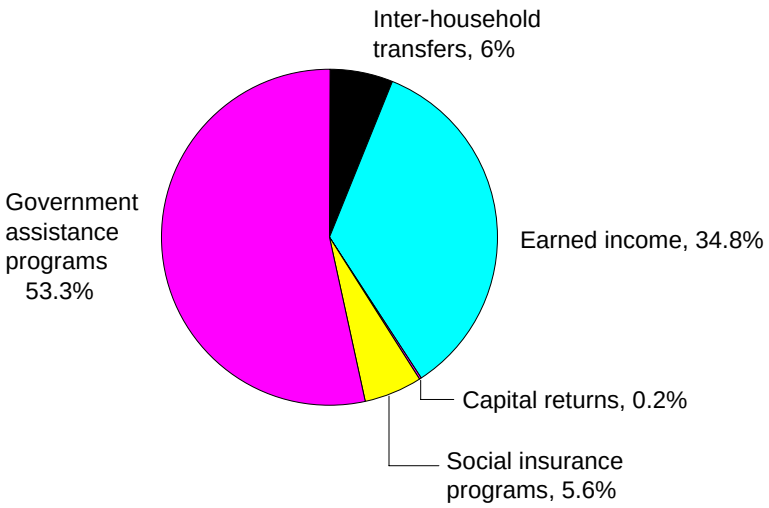
Forty-three percent of single adult households with children in rural areas have incomes below the poverty level, compared with 37 percent in urban areas. Earnings for these rural poor households amount to less than 35 percent of total income (fig. 4). (This is less than half the share for all rural households (see fig. 1). These households rely more on government assistance programs, which account for 53 percent of total income, compared with 11 percent for nonpoor households. Government assistance to rural poor single adult households with children come primarily from AFDC and general assistance (22.3 percent), food stamps and the school lunch program (33.5 percent), and Earned Income Tax Credit (20.7 percent) (fig. 5). Inter-household transfers—primarily alimony and child support—are important for this household group. They account for 6 percent of income, compared with less than 1 percent for all households. The composition of income for these households is essentially the same for comparable households in urban areas, though earnings for the urban households are slightly less at 33 percent of total income.

With the introduction of welfare-to-work incentives and other changes in welfare programs under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, changes in the composition of household income will require close monitoring over the next few years, particularly for the poor single adult households with children in rural areas. *[Kenneth Hanson, 202-694-5427, e-mail khanson@econ.ag.gov]*

Figure 4

**Income sources for rural poor single adults with children, 1996**

*Earned income is second in importance to other government transfers*

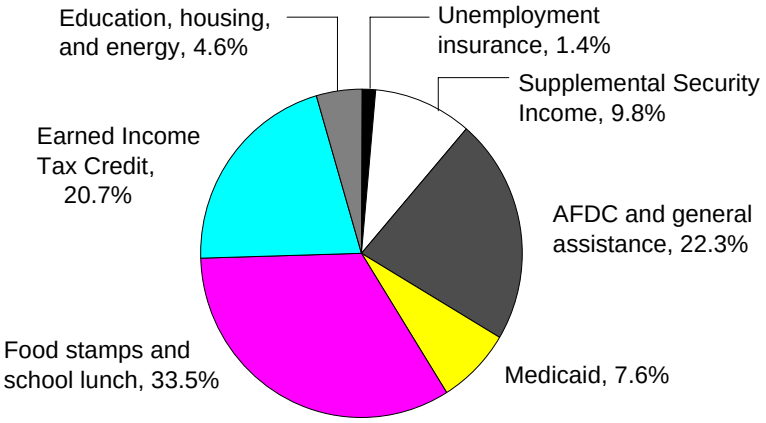



Source: Prepared by ERS using data from the March 1997 Current Population Survey.

Figure 5

**Other government transfers to rural poor single adults with children, 1996**

*Food assistance is important*




Source: Prepared by ERS using data from the March 1997 Current Population Survey.

# Rural Poverty Rate Unchanged

*The rural poverty rate was unchanged from 1995 to 1996. Rural minorities, women, and children were especially disadvantaged economically. Poverty rates were highest in the rural South and West.*

The poverty rate in rural America stood at 15.9 percent in 1996, essentially unchanged from the previous year, and higher than the urban poverty rate of 13.2 percent. The rural poverty rate has been quite stable over the last 8 years, remaining within a range of 1.6 percentage points (fig. 1).

### Rural Minorities Are Especially Disadvantaged Economically

Poverty rates among rural minorities were nearly three times as high as that of rural Whites and substantially higher than those of urban minorities (fig. 2). The poverty rate was highest for rural Blacks, followed by rural Native Americans and rural Hispanics. Despite the higher incidence of poverty among minorities, almost two-thirds of the rural poor were non-Hispanic Whites because of the large White majority in the rural population (fig. 3). Over the past 10 years, as the rural Hispanic population has grown, the Hispanic share of the rural poor has nearly doubled, growing from 5.8 percent in 1986 to 11.1 percent in 1996. The Black share of the rural poor declined from 23.5 percent to 20.7 percent during the same period.

Why are poverty rates higher among rural minorities? Differences in education and household structure provide a partial, but by no means complete, explanation. Rural minorities have, on average, less education than rural Whites, and education is a strong predictor of income. In rural America, education differences account for 24 percent of the difference in poverty rates between Blacks and Whites, 45 percent of the difference between poverty rates of Hispanics and Whites, and 16 percent of the difference between poverty rates of Native Americans and Whites. Differences in household structure also result in higher poverty rates for rural Blacks and Native Americans (but not for Hispanics) than for rural Whites. Rural Blacks and Native Americans have higher proportions of female-headed families then do rural Whites, and poverty rates are higher for female-headed families than for other household types. Rural Hispanics, on the other hand, have a larger share of two-parent families than do non-Hispanic Whites. Household structure accounts for 30 percent of the Black-White poverty difference and 17 percent of the Native American-White poverty difference. Adjusting for household structure would increase the poverty gap between Hispanics and Whites somewhat.

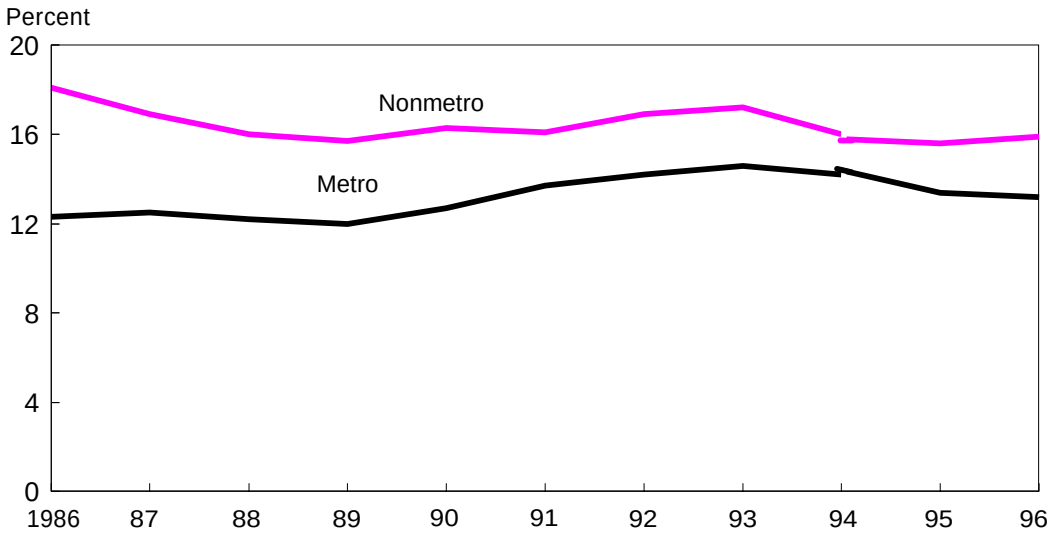
Education and household structure only partially explain the higher poverty rates of rural minorities, however. Even for persons with similar education in households of the same type, poverty rates for rural minorities are about twice those of non-Hispanic Whites. Likely explanations of these differences include discrimination in employment and wages and concentrations of minorities in areas that are unable to attract high-wage employers.

### What Does the Poverty Rate Mean?

In concept, the poverty line is the minimum income level needed by a family or individual to just meet basic needs of food, shelter, clothing, and other essential goods and services. Official poverty lines adjusted for family size and composition are set by the Office of Management and Budget (OMB) for use by all Federal agencies. They are adjusted each year for inflation. In 1996, the poverty line was $15,911 for a family of two adults and two children, $10,815 for a family of one adult and one child, and $8,163 for a single individual. Each household's cash income (including pretax income and cash welfare assistance, but excluding in-kind welfare assistance, such as food stamps and Medicare) is compared with the poverty line for the household. The poverty rate for an area or for a category of people is the percentage of persons in households with income less than the poverty line for their household.

Figure 1
**Poverty rate, by residence, 1986-96**

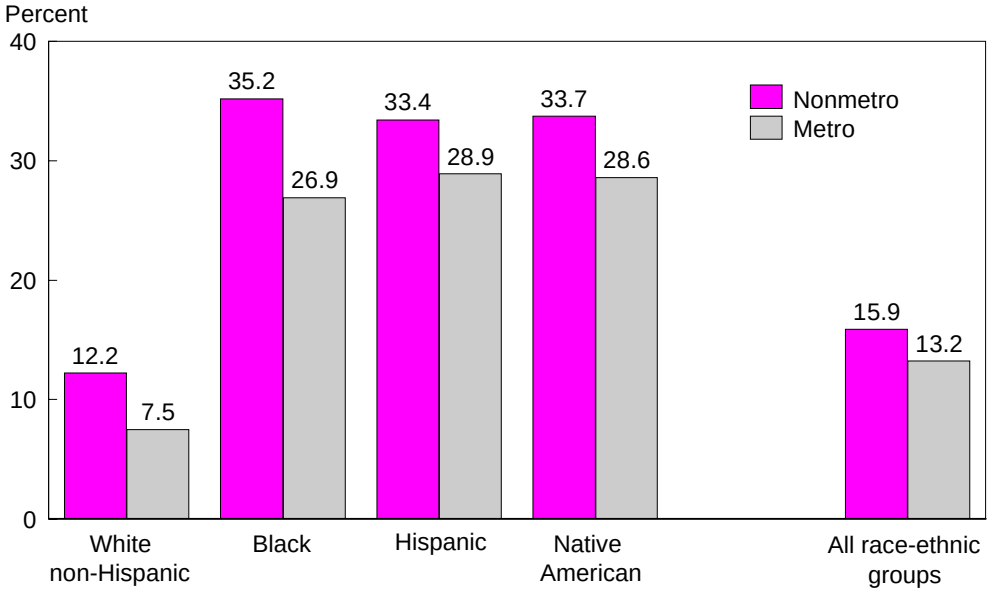
*The poverty rate in rural America remained unchanged from 1994 to 1996, while the poverty rate in metro areas declined 1 percentage point*




Note: Change of metro status of some counties caused a discontinuity in the data in 1994.
Source: Prepared by ERS using data from the Bureau of the Census' Consumer Income P-60 series (1986-96).

Figure 2
**Poverty rates, by race/ethnicity and residence, 1996**

*Poverty rates are highest for rural minorities, nearly three times those of Whites and substantially higher than those of urban minorities*




Source: Calculated by ERS using data from the March 1997 Current Population Survey.

### More than Three Million Rural Children Live in Poverty

In 1996, 3.2 million rural children under the age of 18 lived in families with income below the poverty level. The poverty rate for all rural children was 22.4 percent; for rural Black children, 46.2 percent; and for rural Hispanic children, 41.2 percent. Most rural poor children (61.9 percent) lived in families headed by a single parent, and the poverty rate for rural single-parent families was 47.3 percent.

The poverty rate among the rural elderly (age 65 and above) was 13.5 percent, the same as that of rural working-age persons (app. table 14). This was substantially higher than the poverty rate of the urban elderly (9.9 percent), reflecting primarily the lower income of rural residents during their working years.

### Poverty Higher in Rural Female-Headed Families

Rural women heading families or living alone are particularly disadvantaged economically. More than half of the rural poor lived in families headed by single women or were women living alone, although such households accounted for only 22 percent of the total rural population. In 1995, the poverty rate in rural female-headed families was 41.1 percent, and that for rural women living alone was 30.4 percent. By comparison, the poverty rate in rural two-parent families was 8.2 percent, while that for rural men living alone was 22.7 percent. Urban women also face economic disadvantages, but less serious than those of rural women (app. table 14).

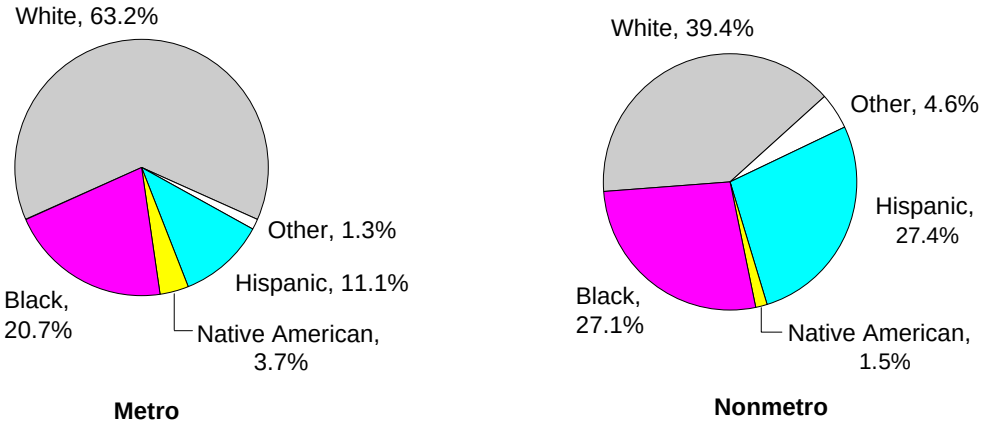
### Most of the Rural Poor Live in Households with One or More Workers

Almost two-thirds of rural poor persons lived in families with at least one working member or, if they lived alone, were themselves employed at least part of the year. That proportion increased to 70 percent when households with no working-age adults were excluded. Even full-time work does not always provide sufficient income for basic needs. Among rural households with full-time workers, the poverty rate was 5.0 percent, and one-fifth of the rural poor lived in these households (app. table 14).

Figure 3

**Racial/ethnic shares of nonmetro and metro poor, 1996**

*Racial and ethnic minorities are a much smaller share of the nonmetro poor than of the metro poor*

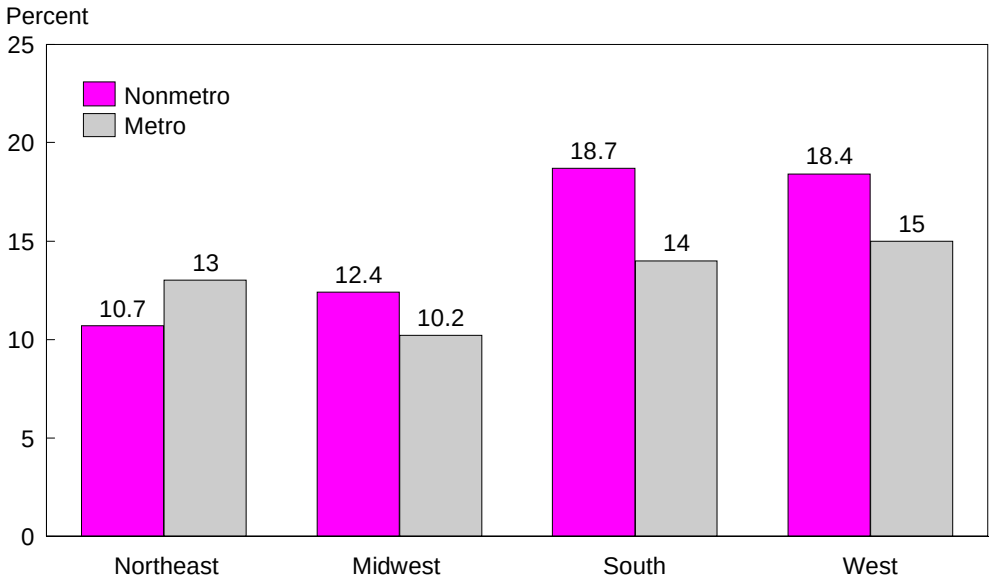



Source: Prepared by ERS using data from the March 1997 Current Population Survey.

### Rural Poverty Rates Highest in the South and West

Rural poverty rates were highest in the South and West (fig. 4; see appendix, pp. 118-119, for definition of regions). In the Northeast and Midwest, rural poverty rates were lower than the national average and differed less from the regions' urban poverty rates. Just over half of the rural poor (51.6 percent) lived in the South. *[Mark Nord, 202-694-5433, marknord@econ.ag.gov]*

Figure 4
**Poverty rates, by region and residence, 1996**
*Rural poverty rates are highest in the South and West*




Source: Calculated by ERS using data from the March 1997 Current Population Survey.

# The Socioeconomic Well-Being of Rural Children Lags that of Urban Children

*Larger shares of rural minority children were poor than White children in 1996. They were more likely than White children to live in families headed by single parents or without an earner and have less educated parents, all of which substantially increased their chances of poverty. Rural minority children also lived in families that relied on social welfare programs more than their White counterparts. Thus, they will be more affected by welfare reform than White children.*

In 1997, just over 14 million of 70.7 million children under the age of 18 in the United States lived in rural areas. The economic circumstances under which children live are of interest to policymakers because children make up about a quarter of the urban and rural populations, and represent one of the most vulnerable segments of the Nation's population. Additionally, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 requires that the U.S. Bureau of the Census provide each State with a current annual estimate of its young child (under 6 years old) poverty rate; if the rate has increased by more than 5 percent over the previous year's rate and that increase is attributable to the effects of welfare reform, the State must submit a corrective action plan. While rural children are less likely to be minorities than urban children, poverty rates remain much higher for rural minority children than for rural White children.

### Minority Children Made Up a Smaller Share of Rural than Urban Children

A comparison of urban and rural children shows marked differences in their socioeconomic well-being, region of residence, and racial/ethnic background, but considerable similarity in their age, family structure, parental education, and absence of a wage-earner (app. table 15).

The well-being of rural children lagged that of urban children (fig. 1). The poverty rate for rural children was 24 percent, compared with 22 percent for urban children (see box, below, for definition of child poverty rate). Further, over half of rural children lived in families with income between 100 and 300 percent of the poverty level, compared with just over one-third of urban children. Conversely, the share of children living in higher income families (over 300 percent of the poverty level) was much larger for urban (39 percent) than rural children (25 percent).

Factors, such as region of residence and family characteristics, help explain the marked socioeconomic differences between urban and rural children. The poverty rate for all urban and rural children was highest in the South and the West at about 25 percent in both regions for urban children and about 30 percent in both regions for rural children. The largest share of children in both rural and urban areas, like the population as a whole, resided in the South (fig. 2). However, the share of rural children living in the South (43 percent) was considerably larger than the share of urban children living in that region (32 percent). Also, a much larger share of rural than urban children resided in the Midwest—30 percent compared with 22 percent. Where children live makes a difference in the services and support available to their families, and job opportunities may be more limited in some areas than others.

### How Child Poverty Is Defined

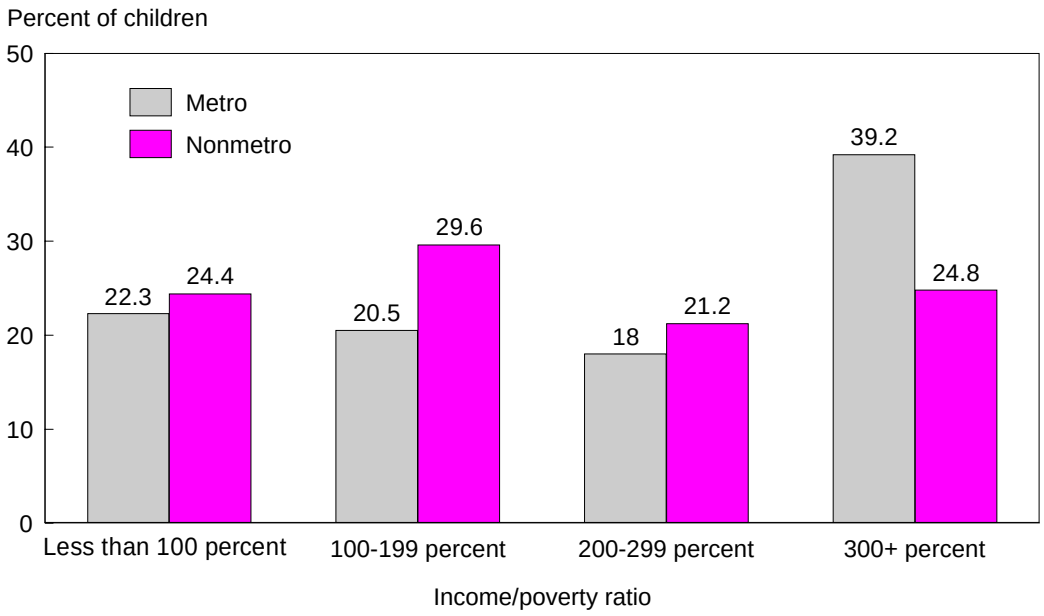
The Current Population Survey (CPS) assigns the poverty rate of the primary family to children living in a related subfamily (see appendix, p. 116, for definition of family. However, CPS provides a variable that permits computation of the poverty rate for related subfamilies. In this article, the poverty rates for children in related subfamilies are the poverty rates for that family rather than those assigned to them from the primary family.

A related subfamily is defined as a married couple with or without children, or one parent with at least one never-married child under age 18 living in a household and related to, but not including, the householder or spouse. One example of a related subfamily is a young married couple sharing the home of the husband's or wife's parents.

Figure 1

**Ratio of family income to poverty level for children, by residence, 1996**

*Rural children are much more likely than urban children to live in lower income families*

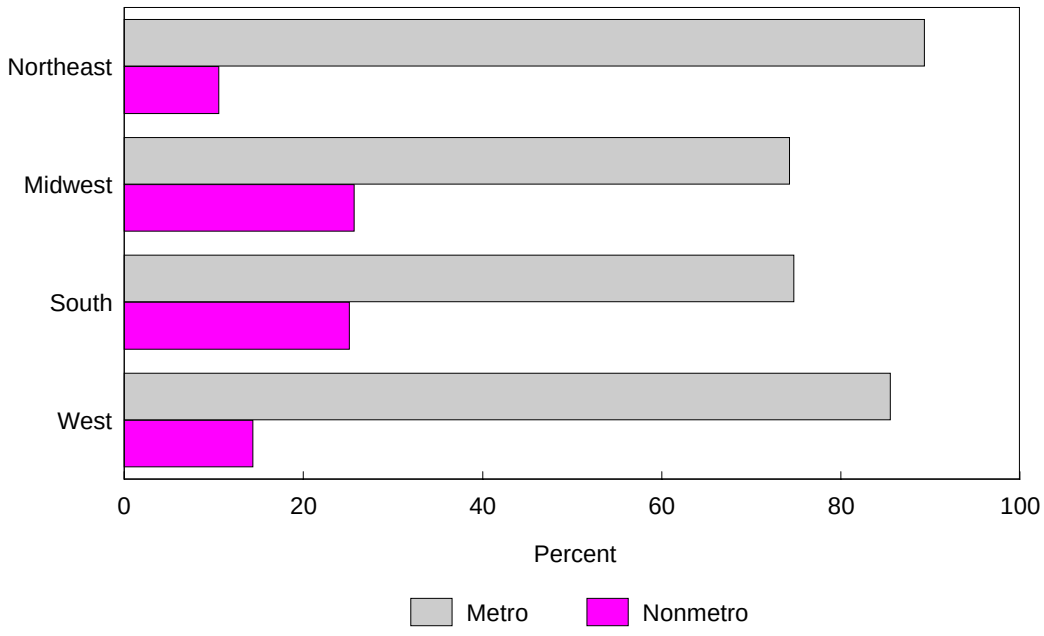



Source: Calculated by ERS using data from the March 1997 Current Population Survey.

Figure 2

**Distribution of children, by region of residence, 1996**

*Larger shares of children lived in rural areas in the Midwest and South*




Source: Calculated by ERS using data from the March 1997 Current Population Survey.

Family structure plays an important role in a child's economic welfare. The chances of poverty are likely to be higher for children in single-parent families than for children in two-parent families. About half of rural children in single-parent families were poor, compared with 12 percent for rural children in two-parent families.

In addition to family structure, parental educational attainment, which influences employment opportunities and earnings, plays an important role in family poverty status. For all rural children living in two-parent families, the chances of poverty increased sharply if only one or neither parent had finished high school. Forty-four percent of rural children in two-parent families whose parents had not completed high school were poor, while the chances of poverty for rural children in single-parent families whose parent had not finished high school climbed to 72 percent.

As one would expect, living in a family with no wage earners strongly influences a child's poverty status. Urban and rural children in families with no earners had the highest poverty rates of all children, and the poverty rate for urban children in such families was higher (92 percent) than that of rural children in similar families (87 percent).

The racial/ethnic makeup of urban and rural children differed markedly (fig. 3). Minority groups represented a smaller proportion of the rural child population (24 percent) than of the urban child population (38 percent). However, Native American children made up a somewhat larger share of the rural than urban child population, while Hispanic children made up a larger share of the urban than rural child population.

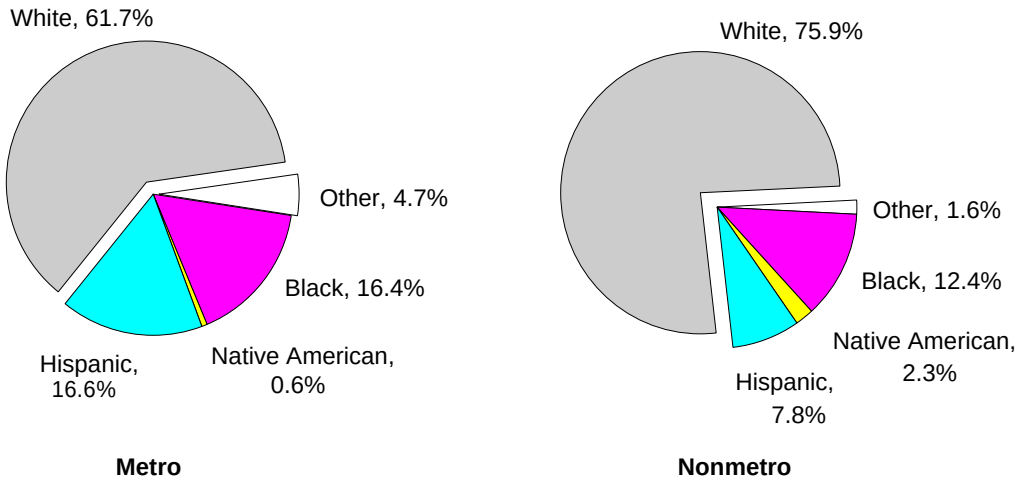
### Poverty Is More Prevalent Among Rural Minority Children

In 1996, the poverty rate for all rural children was 24 percent (table 1). However, poverty rates were much higher for rural minority children than for rural White children (17 percent). Rural Black children's poverty rates were the highest (50 percent), while Hispanic and Native American children poverty rates exceeded 40 percent. In addition, severe poverty (family income below 50 percent of the poverty level) for minority children was disproportionally high. Thirty percent of rural Black children lived in conditions of severe poverty, compared with only 8 percent of rural White children. Rural White children were much more likely than rural minority children to live in higher income families. Thirty per-

Figure 3

**Children, by race/ethnicity and residence, 1996**

*Rural children are less likely than urban children to belong to a minority group*




Source: Calculated by ERS using data from the March 1997 Current Population Survey.

cent of rural White children lived in families with income over 300 percent of the poverty level, compared with just under 10 percent of minority children.

Poverty rates for young children (under 6 years old) were much higher among rural minority children than for rural White children. The poverty rate for rural young Black children was about three times higher than the poverty rate for young White children, while the poverty rates for rural Hispanic and Native American children were twice that of White children. The higher poverty rate among young children may be influenced by the fact that the number of family members available for the labor force is sometimes limited due to the need to care for a young child, and in many rural areas adequate child day care may be scarce.

Rural minority children tended to be concentrated regionally. About 89 percent of rural Black children lived in the South, while almost half (45 percent) of Native American children lived in the West. Rural Hispanic children largely resided in two regions—the South (47 percent) and the West (44 percent). Over one-half of rural Black children living in the South were poor, compared with 19 percent of rural White children in the South. Forty-nine percent of rural Hispanic children living in the West and 46 percent of rural Hispanic children living in the South were poor. Forty-one percent of rural Native American children in the West were poor.

The chances of poverty for rural minority children in single-parent families were much higher than for rural White children (45 percent). Hispanic children in single-parent families had the highest chances of poverty (75 percent) followed closely by Black children (68 percent). However, only one-quarter of rural Hispanic children lived in single-parent families, compared with almost two-thirds of rural Black children. For these children, something other than family structure is influencing their high poverty rate, such as being members of illegal immigrant families.

Table 1

**Poverty rates and distribution of family income for rural children, by race/ethnicity, 1997**

*Rural minority children have much higher poverty rates than rural White children*

| Item | White | Black | Hispanic | Native American | All |
|---|---|---|---|---|---|
| | | | Thousands | | |
| Number of children | 10,776 | 1,767 | 1,104 | 331 | 14,192 |
| | | | Percent | | |
| Total poor | 17.3 | 50.0 | 45.9 | 40.5 | 24.4 |
| Family income as percentage of poverty level: | | | | | |
| Less than 50 | 7.6 | 29.7 | 14.5 | 21.4 | 11.3 |
| 50-74 | 4.8 | 9.4 | 16.7 | 11.5 | 6.7 |
| 75-99 | 4.9 | 10.9 | 14.7 | 7.6 | 6.4 |
| 100-124 | 6.6 | 9.3 | 10.2 | 9.7 | 7.2 |
| 125-149 | 7.1 | 9.9 | 8.6 | 8.5* | 7.5 |
| 150-174 | 8.3 | 9.3 | 7.2 | 6.0* | 8.2 |
| 175-199 | 7.0 | 4.1 | 7.3 | 7.6* | 6.7 |
| 200-299 | 24.2 | 9.1 | 11.5 | 17.8 | 21.2 |
| 300+ | 29.5 | 8.3 | 9.3 | 9.9 | 24.8 |

*Weighted number, fewer than 30 cases reported.

Source: Calculated by ERS using data from the March 1997 Current Population Survey.

Rural Hispanic children in two-parent families whose parents had not finished high school were particularly disadvantaged, experiencing a poverty rate of 53 percent, and nearly half of rural Hispanic children lived in these families. Rural Black and White children in such families had poverty rates of 41 and 36 percent, respectively, with much smaller shares of each of the two groups living in these families.

Minority children in a single-parent family whose parent had not completed high school had very high poverty rates. About three out of four of rural Hispanic and Black children in these families were poor, and more than one-third of the children in these two groups lived in these families. Although they had the lowest poverty rate of all children in single-parent families whose parent had not completed high school, rural White children's poverty rate was high at 64 percent. However, slightly less than 20 percent of rural White children lived In these families.

Further, rural minority children more often lived in families with no earners than rural White children (5 percent). Nineteen percent of Black children, 8 percent of Hispanic, and 12 percent of Native American children lived in no earner families in 1996. These children all had high poverty rates that exceeded 90 percent. Although the poverty rate for rural White children in similar families was considerably lower than the poverty rate for minority children, it was very high at 79 percent.

Additional analysis indicates that differences in family structure and presence or absence of a family wage earner account for nearly three-quarters of the difference in rural White/Black child poverty rates. However, these characteristics play a lesser role in explaining differences in White/Hispanic and White/Native American child poverty rates because their family structure and family wage-earner status more closely resemble those of rural White children.

### Social Welfare Programs More Important to Minority Children

Social welfare programs contribute to the well-being of children by providing cash or in-kind assistance to needy families. In 1996, 1.2 million rural children lived in families participating in Aid to Families with Dependent Children (AFDC), the guaranteed Federal assistance program for dependent children, which was replaced with the Temporary Assistance to Needy Families (TANF) Program in 1996. The TANF program provides time-limited benefits to needy families, mostly headed by single-parents, and provides assistance in finding employment for the parents. While the hope is that more parents will be able to meet their families' needs through employment, some families could possibly face economic hardship resulting from the discontinuation of benefits when time limits expire.

Larger shares of rural Black and Native American children lived in families receiving AFDC benefits than White or Hispanic children (fig. 4). This is to be expected since rural Black and Native American children were more likely than Hispanic or White children to live in single-parent families.

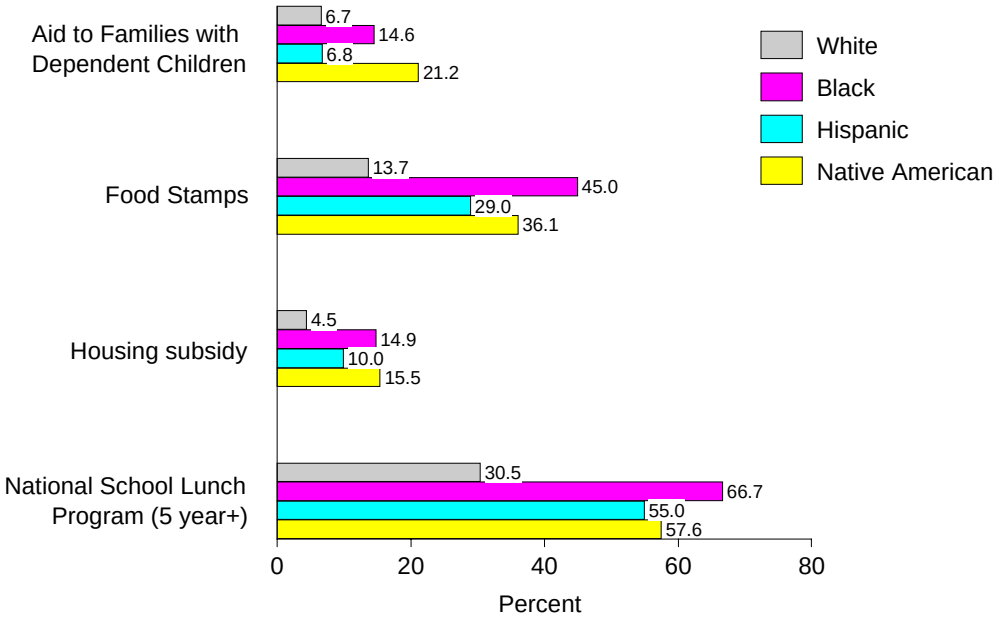
Changes in the TANF program will trigger changes in the food stamp program, a program with much higher child participation rates than AFDC. Among the most important changes that will affect children are the reduction of food stamp benefits from 103 to 100 percent of the Thrifty Food Program and the restriction of food stamp eligibility for many legal immigrants. Changes in the food stamp program will potentially affect 2.8 million, or 20 percent of rural children. Furthermore, rural Black and Native American children will be disproportionately affected. Forty-five percent of rural Black children and 36 percent of rural Native American children lived in families that receive food stamps. The share of rural Hispanic children in families receiving food stamps was also high at 29 percent.

The families of rural minority children also relied on other government assistance programs more than the families of White children. Children in rural Black and Native American families had the highest participation rates in the housing subsidy program that helps needy families pay their rent. Fifteen percent of rural children in both these groups lived in families participating in this program. The reduced food stamp benefits associated with the implementation of TANF may cause some recipients to have difficulty paying

Figure 4

**Participation rates in selected social welfare programs for nonmetro children, by race/ethnicity, 1996**

*Rural minority children participate in most social welfare programs at a higher rate than White children*




Source: Calculated by ERS using data from the March 1997 Current Population Survey.

their share of their rent because they will need more of their income to buy food. Finally, participation rates in the national school lunch program for rural children over 5 years old were very high among all four racial/ethnic groups. Well over half of rural Black, Hispanic, and Native American children, compared with about a third of White children, received free or reduced-price lunches from this feeding program in 1996. *[Elizabeth M. Dagata, 202-694-5422, edagata@econ.ag.gov]*

# New Indicator Reveals Similar Levels of Food Security in Rural and Urban Households

*A new survey and measurement scale developed by USDA and the Department of Health and Human Services provides a tool for monitoring food security—the extent to which households consistently and dependably get enough food for an active and healthy life—in the United States. The prevalence rates of food security, food insecurity, and hunger are similar in rural and urban households. Single-parent families and racial and ethnic minorities have higher rates of food insecurity and hunger.*

Americans are proud of the agricultural abundance of their country. Nonetheless, government food assistance programs and private charitable food banks, food pantries, and soup kitchens reflect a general concern that not every citizen always has enough to eat. The type of hunger of concern in the United States is different in character from the prolonged episodes of famine and starvation that occasionally afflict citizens in less industrialized countries. Hunger in the United States is intermittent and often hidden. People skip meals or reduce the quality and variety of foods when household food supplies become depleted. In extreme situations, children are affected, but malnutrition and growth retardation due to undernutrition are rare.

USDA's food assistance programs are intended not only to prevent hunger, but also to assure that all citizens—and especially all children—have regular access to the quantity and quality of food needed for an active, healthy life. To gauge the effects of these programs and to target them more effectively, it is important to be able to measure the extent of household food insecurity as well as hunger in the Nation. USDA and the Department of Health and Human Services have developed a new survey to monitor food insecurity and hunger in the United States (see box, "Developing a New Measuring Tool: The Food Security Survey," p. 96). Households are food secure when they have assured access in socially acceptable ways to enough food for an active, healthy life. They experience food insecurity whenever that access is limited or uncertain. As food insecurity increases in severity, the quality and variety of meals is reduced and food intake may become irregular. At still more severe levels, insufficient or irregular food intake results in periods of hunger for at least some family members. In households with children, adults usually restrict their own food intake first to provide enough food for the children. Thus, children usually do not experience hunger except in households with severe levels of food insecurity, including more severe adult hunger.

### Most Households Are Food Secure

A large majority of rural households were food secure during the year prior to April 1995 (fig. 1). Nearly 80 percent gave no indications at all of worries about, or difficulty in, getting enough food. An additional 8 percent responded affirmatively to just one or two questions of the scale, indicating some level of uncertain or limited access to food, but not sufficient to be classified as food insecure.

### Food Insecurity Rates Similar in Rural and Urban Areas, Higher for Minorities

The overall prevalence of food insecurity was essentially the same in rural and urban households (table 1). In both residence categories, about 12 percent of households were classified as food insecure. These households reported at least three indicators of food insecurity, most commonly that (1) they worried whether their food would run out before they got money to buy more, (2) the food they bought didn't last and they didn't have money to get more, and (3) they couldn't afford to eat balanced meals. Within urban areas, food insecurity was more prevalent in central cities (16.1 percent) than in suburban areas (9.5 percent).

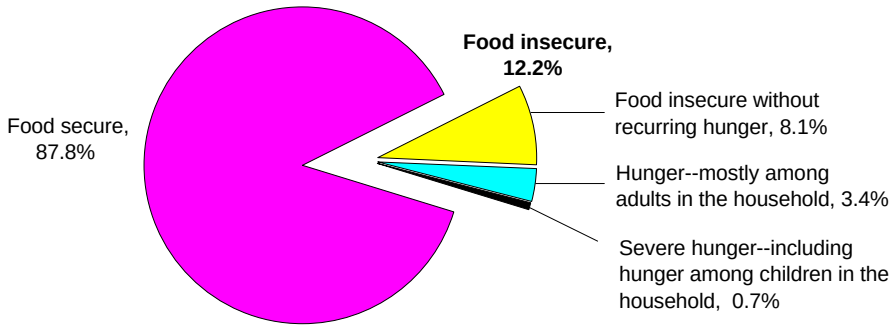
Regionally, food insecurity was highest in the rural West (14.9 percent) and lowest in the rural Northeast (9.7 percent). Rural-urban differences were not substantial in any region.

Food insecurity was almost three times as prevalent among rural Blacks as among rural Whites. For rural Hispanics, the rate was about twice that of Whites. These differences reflect the higher poverty rates of racial and ethnic minorities (see "Rural Poverty Rate Unchanged," p. 81). For Blacks and Whites, food insecurity was more prevalent in rural than in urban areas, while for Hispanics, the reverse was true. The lower level of food

Figure 1

**Food security, food insecurity, and hunger in rural households, 1995**

*While a large majority of rural households are food secure, access to food is limited or uncertain for some, including a few with repeated experiences of hunger because they couldn't afford enough food*




Source: Prepared by ERS using data from the Current Population Survey Food Security Supplement, April 1995.

Table 1

**Percentage of households experiencing food insecurity, 1995**

*Levels of food insecurity were very similar in rural and urban households; food insecurity was most prevalent among racial and ethnic minorities and in single-parent families with children*

| Category | Nonmetro | Metro | U.S. total |
|---|---|---|---|
| | | Percentage of households | |
| All households | 12.2 | 11.9 | 11.9 |
| Census region: | | | |
| Northeast | 9.7 | 10.4 | 10.3 |
| Midwest | 10.3 | 10.8 | 10.6 |
| South | 13.3 | 12.3 | 12.5 |
| West | 14.9 | 13.6 | 13.8 |
| Race and ethnicity (of household head): | | | |
| White non-Hispanic | 10.3 | 8.1 | 8.7 |
| Black | 28.3 | 23.5 | 24.2 |
| Hispanic | 21.3 | 26.2 | 25.7 |
| Household structure: | | | |
| Two-parent families with children | 12.9 | 11.1 | 11.5 |
| Single-parent families with children | 32.8 | 32.2 | 32.3 |
| Multiple-adult households, no children | 6.9 | 6.3 | 6.4 |
| Single men living alone | 13.3 | 12.9 | 13.0 |
| Single women living alone | 10.2 | 11.4 | 11.1 |
| Age: | | Percentage of persons[1] | |
| 0-17 | 20.4 | 19.7 | 19.8 |
| 18-64 | 12.9 | 11.9 | 12.1 |
| 65 and over | 5.5 | 5.5 | 5.5 |

[1]Food security is determined at the household level. In the age breakdown, the numbers represent the percentage of persons in each age category living in households classified as food insecure.

Source: Prepared by ERS using data from the Current Population Survey Food Security Supplement, April 1995.

insecurity among rural Hispanics is unexpected because they had a substantially higher poverty rate than did urban Hispanics. The reasons for this difference are not known.

### Almost One of Every Three Single-Parent Families Experiences Food Insecurity

Food insecurity was much higher in single-parent families with children than in any other household type. Nationally, nearly one-third of such households experienced food insecurity sometime between April 1994 and April 1995, and this proportion was about the same in rural and urban areas. The lowest rate of food insecurity was in multiple-adult households with no children present (6.9 percent in rural areas and 6.3 percent in urban areas). The incidence of food insecurity in two-parent households with children (12.9 percent in rural areas and 11.1 percent in urban areas) was nearly double that of similar households without children but far below that of single-parent families. Food insecurity was more prevalent among men living alone than among women living alone, even though the poverty rate for women living alone was substantially higher than that for men living alone. The rural-urban differences in food insecurity were significant only for two-parent families with children (1.8 percentage points higher in rural areas) but not for other household types.

Children are much more likely than adults to live in households that experience food insecurity, while the elderly are less than half as likely as working-age adults to live in such households, and this was true in both rural and urban areas. There is some concern, however, that the questions in this survey may not adequately identify and measure food insecurity among the elderly. Problems not measured by the food insecurity scale, such as mobility limitations and restricted capacity and facilities for food preparation, pose additional challenges for some elderly.

### Poverty-Related Hunger Reported in 4 Percent of Rural Households

In about one-third of food insecure households—those in which food shortages were more serious or prolonged—food intake was curtailed to the extent that household members repeatedly experienced hunger. These households report experiences and behaviors associated with more severe levels of food insecurity. Adults reported eating less than they felt they should and cutting and skipping meals repeatedly due to lack of food or money to buy food. Households with children reported inability to feed the children balanced meals and reliance on only a few kinds of low-cost food to feed the children because they were running out of money to buy food. At least some household members, mainly adults, in 4.1 percent of U.S. households experienced such hunger during the year prior to the survey, and this proportion was virtually identical in rural and urban areas (table 2).

The pattern of the incidence of hunger across regions, racial-ethnic groups, household types, and age groups follows closely that of food insecurity. The proportion of households with hunger exceeded 10 percent for rural Blacks and for single-parent families with children in both rural and urban areas. Rural-urban differences in the prevalence of hunger were generally not great in any category analyzed, and were statistically significant only for Whites (higher in nonmetro areas) and for the Midwest region (higher in metro areas).

### Less than 1 Percent of Rural Households Report Indicators of Severe Hunger

Severe hunger, characterized by adults going whole days without eating, cutting the size of children's meals, and children being hungry because there is not enough money to buy food, is rare but unfortunately not unheard of in U.S. households. This level of food insufficiency is estimated to occur in 0.8 percent of households—or about 815,000 households—nationwide, with similar prevalence levels in rural and urban areas (table 3). As was observed for less severe levels of food insecurity, racial and ethnic minorities and single-parent families with children are at higher risk of severe hunger than other households.

Table 2

**Percentage of households with one or more members experiencing poverty-related hunger, 1995**

*One or more household members experienced repeated, poverty-related hunger in 4.1 percent of rural households*

| Category | Nonmetro | Metro | U.S. total |
|---|---|---|---|
| | Percentage of households | | |
| All households | 4.1 | 4.2 | 4.1 |
| Census region: | | | |
| Northeast | 3.4 | 3.4 | 3.4 |
| Midwest | 3.3 | 4.0 | 3.8 |
| South | 4.3 | 4.3 | 4.3 |
| West | 5.4 | 4.9 | 5.0 |
| Race and ethnicity (of household head): | | | |
| White non-Hispanic | 3.3 | 2.8 | 3.0 |
| Black | 10.6 | 9.2 | 9.4 |
| Hispanic | 7.7 | 8.0 | 8.0 |
| Household structure: | | | |
| Two-parent families with children | 3.1 | 2.6 | 2.7 |
| Single-parent families with children | 11.1 | 11.2 | 11.1 |
| Multiple-adult households, no children | 2.5 | 2.4 | 2.4 |
| Single men living alone | 6.5 | 6.6 | 6.6 |
| Single women living alone | 3.8 | 4.4 | 4.3 |
| Age: | Percentage of persons[1] | | |
| 0-17 | 6.4[2] | 6.1[2] | 6.2[2] |
| 18-64 | 4.0 | 4.0 | 4.0 |
| 65 and over | 1.9 | 1.7 | 1.8 |

[1]Hunger is measured at the household level. In the age breakdown, the numbers represent the percentage of persons in each age category living in households that registered hunger.

[2]Children usually do not experience hunger except in households in which adults experience more severe and prolonged hunger (see table 3). Thus, the prevalence rates for children shown in this table should be interpreted as the proportion of children living in households with hunger among adults. Most of these children were eating diets of reduced quality.

Source: Prepared by ERS using data from the Current Population Survey Food Security Supplement, April 1995.

Table 3
**Percentage of households with severe poverty-related hunger, 1995**
*Less than 1 percent of rural households reported incidents of severe hunger* [1]

| Category | Nonmetro | Metro | U.S. total |
|---|---|---|---|
| | | Percentage of households | |
| All households | 0.7 | 0.9 | 0.8 |
| Census region: | | | |
| Northeast | .8 | .7 | .7 |
| Midwest | .4 | .7 | .6 |
| South | .6 | .9 | .8 |
| West | 1.3 | 1.1 | 1.1 |
| Race and ethnicity (of household head): | | | |
| White non-Hispanic | .6 | .6 | .6 |
| Black | 1.6 | 2.0 | 2.0 |
| Hispanic | .7 | 1.6 | 1.5 |
| Household structure: | | | |
| Two-parent families with children | .2 | .5 | .4 |
| Single-parent families with children | 1.5 | 2.0 | 1.9 |
| Multiple-adult households, no children | .5 | .5 | .5 |
| Single men living alone | 1.6 | 1.6 | 1.6 |
| Single women living alone | 1.0 | 1.0 | 1.0 |
| Age: | | Percentage of persons [2] | |
| 0-17 | .6 [3] | 1.1 [3] | 1.0 [3] |
| 18-64 | .6 | .8 | .8 |
| 65 and over | .2 | .3 | .3 |

[1]Indications of severe hunger include adults going whole days without eating, cutting the size of children's meals, and children being hungry because their parents couldn't afford enough food.

[2]Hunger is measured at the household level. In the age breakdown, the numbers represent the percentage of persons in each age category living in households that registered severe hunger.

[3]In households with severe hunger, most children also experience hunger.

Source: Prepared by ERS using data from the Current Population Survey Food Security Supplement, April 1995.

### Number of Hungry Children Is Difficult to Estimate

Estimating the proportion of children who experience poverty-related hunger is somewhat indirect and uncertain. Because of the importance of children's diets for their cognitive and physical development, research continues on this important task. Almost all of the children in households with severe hunger (0.6 percent of children in rural areas; table 3) experienced poverty-related hunger during the previous year. However, that number understates the prevalence of child hunger. Even in households in which adult hunger is less severe, the quality of children's diets is often reduced, and indicators of child hunger are reported in some cases. It is likely, then, that most of the 6.4 percent of children in rural households with adult hunger (including moderate and severe hunger) were eating diets of reduced quality (table 2), and more than 0.6 percent were hungry from time to time because their parents were unable to afford enough food. *[Mark Nord, 202-694-5433, marknord@econ.ag.gov; Margaret Andrews, 202-694-544, mandrews@econ.ag.gov; Gary Bickel, 703-305-2125, gary_bickel@fcs.usda.gov]*

### Developing a New Measuring Tool: The Food Security Survey

In April 1995, the Census Bureau, under sponsorship of USDA's Food and Nutrition Service, surveyed a nationally representative sample of 44,730 households about their food expenditures, sources of food assistance, food security, and hunger. The survey was carried out as a supplement to the monthly Current Population Survey (see appendix, p. 115, for information about the Current Population Survey). The questionnaire design drew on previous efforts by academic and advocacy organizations to measure food security and hunger in smaller populations. The food insecurity and hunger-related questions asked about a wide range of perceptions and behaviors that have been reported by households known to be having difficulty meeting their food needs. The Census Bureau's Center for Survey Methods Research revised and improved the questionnaire based on focus group discussions, a pretest, and a field test.

Household food security status ranges from food secure at one extreme to severe hunger at the other. Based on a thorough statistical analysis of the data from the Food Security Supplement, 18 questions were identified as forming a valid and reliable scale measuring the severity of food insecurity and hunger across this range. All questions referred to the 12 months prior to the survey and included a qualifying phrase reminding the respondent to report only those occurrences due to limited financial resources. Restrictions to food intake due to dieting or busy schedules were excluded. Examples of questions across the range are:

[**Light end of scale**] *"The food we bought just didn't last, and we didn't have money to get more." Was that often, sometimes or never true for you in the last 12 months?*

[**Middle of scale**] *In the last 12 months did you ever cut the size of your meals or skip meals because there wasn't enough money for food?*

[**Severe end of scale**] *In the last 12 months did you ever not eat for a whole day because there wasn't enough money for food?*

(The full questionnaire is included in the summary report listed below.)

Based on responses to these 18 questions, each household was assigned a scale score measuring the severity of food insecurity experienced over the previous year. For analytic and policy purposes, each household was then classified into one of four categories based on their food security scale score: (1) food secure; (2) food insecure with no hunger evident; (3) food insecure with moderate hunger; and (4) food insecure with severe hunger (including adults going whole days without food and hunger among children in households with children). Since the households in the survey were a representative sample of U.S. households, the prevalence of food security, food insecurity, and hunger can be estimated at the national level and for major regions and subpopulations.

#### USDA Reports on Food Security and Hunger

The following reports on the Food Security Measurement Project are available from USDA's Food and Nutrition Service:

*Household Food Security in the United States: Summary Report*

*Household Food Security in the United States: Technical Report*

*Guide to Implementing the Core Food Security Module*

Contact the Office of Analysis and Evaluation, Food and Nutrition Service, U.S. Department of Agriculture, 3101 Park Center Drive, Alexandria, VA 22302. Or download the reports from the FNS worldwide web site at http://www.usda.gov/fcs/research.htm

# Housing Problems Differ Across Types of Rural Households

*Government policy recognizes housing as a basic need, and home ownership as desirable. Minimum standards for appropriate housing include being safe and sanitary, of sufficient size, and affordable. Households whose homes fall short of necessary or desirable standards are concentrated in certain population segments. However, the reasons for these housing problems differ widely among groups and between nonmetro and metro areas. Physical inadequacies are most frequently in the housing of nonmetro Black households, particularly those who are poor. But crowding is the principal housing problem for both nonmetro and metro Hispanic households.*

While most housing-related issues span rural and urban America, significant rural-urban differences exist. These include differences in the housing stock, population characteristics, and markets for housing and home mortgages. Recognizing these differences will benefit public policy actions. Recent changes in Federal housing programs have generally added flexibility, increased the role of State and local governments, and emphasized the inclusion of segments of the population and geographic areas that were deemed underserved by existing housing and home mortgage markets. There is evidence that the housing situation has been improving for both targeted and nontargeted segments of the population.

### Homeownership Is Rising as Housing Becomes More Affordable

The housing market has been on a roll in both rural and urban America. This is shown by indicators of physical quality, adequacy for the residents' needs, affordability, and homeownership. The rate of homeownership is at an all-time high, with nearly two-thirds of all U.S. households and three-fourths of rural households owning their home in 1995 (app. table 17). The rate of homeownership in both nonmetro and metro areas has increased steadily since 1994. Additionally, the marketplace is very active, as both housing sales and new home construction are at near-record levels. And, on average, housing has seldom been more affordable. In the first quarter of 1998, U.S. median household income was 34 percent more than needed to afford the median-priced home. According to this widely used indicator, housing has not been so affordable since 1973.

While both nonmetro and metro households share in these positive trends, housing problems disproportionately continue to affect some groups more than others. Most likely to experience housing disadvantages are Blacks and other racial minorities, Hispanics, and those with low incomes regardless of race or ethnicity. Some housing problems for these groups occurred more frequently in rural areas, while others were more often in urban areas.

However, the housing situation for these groups is also improving. According to a Harvard University study, the recent growth rate of minority homeownership has exceeded that for other households. While minorities are 17 percent of all homeowners, they accounted for 42 percent of new homeowners between 1994 and 1997. Home mortgage lending in recent years also reflects this trend. The growth in mortgage lending to minorities and low- or moderate-income families substantially exceeds that for other borrowers. While it is nearly certain that rural minorities are sharing in this trend of rapidly growing homeownership, specific rural data are not available.

### Housing Issues Vary Across Population Groups

Housing is generally recognized as better if it has no physical deficiencies, contains basic facilities, has adequate space, is less costly, and is owned by the occupant. Most indicators of housing quality show that the incidence of housing problems differs widely among population groups and by rural and urban location, meaning that the various problems are not concentrated within the same populations.

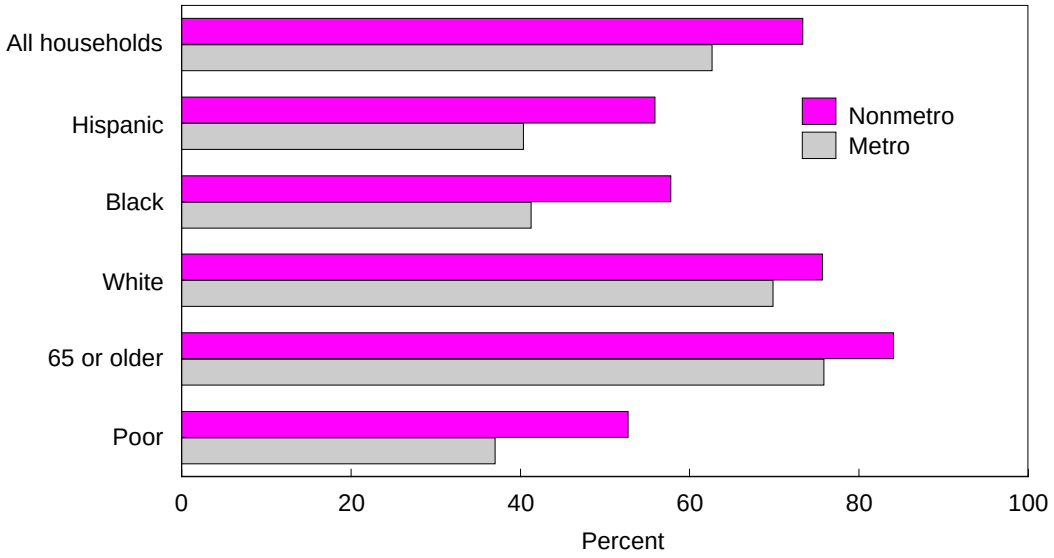
### Homeownership Is Prevalent Among Rural Household Groups

Homeownership usually benefits both the homeowner and the general public. Public policy is clearly geared toward promoting greater homeownership, as demonstrated by government tax policies and program initiatives, and indeed the ownership rate is trending upward.

The rate of homeownership in 1995 was higher among nonmetro than metro households for each of the population groups (fig. 1). Ownership was the dominant pattern for all nonmetro groups, but not for metro Black, Hispanic, or poor households. While generally

Figure 1
**Households who own their homes, 1995**

*In both nonmetro and metro areas, minority and poor households are the least likely to own their homes*




Source: Calculated by ERS from 1995 American Housing Survey data.

both nonmetro and metro poor were among the least likely to be homeowners, this was not true for the poor who were also elderly (app. table 17).

Households that rent, plus new households formed by those leaving their parents' and other households and immigrants, are the group from which new homeowners must come. A disproportionate share of these households are poor, Black, or Hispanic. Even among households that are not in poverty, Black and Hispanic households are the least frequent owners. While nearly 80 percent of nonpoor White households in nonmetro areas owned their home, comparable figures were only 62 percent and 68 percent, respectively, for Hispanic and Black households.

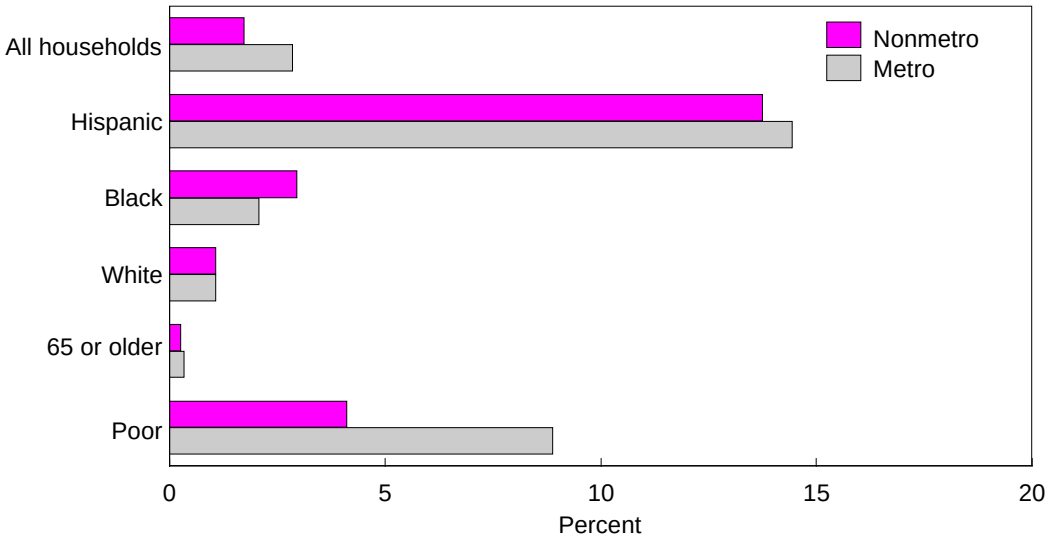
### Hispanics Are More Likely to Live in Crowded Homes

A home is generally considered crowded when the number of residents exceeds the number of rooms. The incidence of crowding is highest for Hispanic-headed households, as one of seven live in crowded conditions (fig. 2). A higher share of the Hispanic population live in crowded housing, partially because greater crowding tends to be associated with larger households. The relationship of household size to crowded conditions also helps to explain the crowding percentages for other population categories. For instance, the homes of elderly households who usually have only one or two persons are unlikely to be crowded. In fact, the homes of one-person households will never have more persons than rooms because every housing unit has at least one room.

### Rural Homes More Often Lack Complete Plumbing

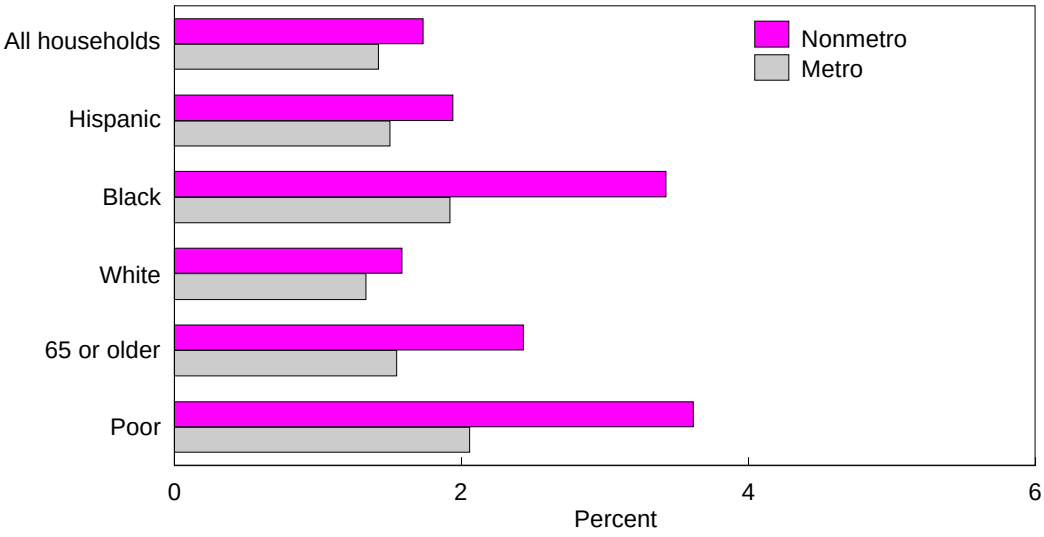
Once used as the principal indicator of housing quality, housing that lacks complete plumbing facilities for the exclusive use of the residents is a problem for under 2 percent of both nonmetro and metro households, but is a problem more frequently in rural areas (fig. 3). This contrasts to 1960, when 30 percent of nonmetro and 7 percent of metro homes lacked complete plumbing facilities. Most residents of homes that fail this quality indicator today have access to a full bathroom that is also used by another household. Poor and Black rural households are the most likely to have such a housing problem.

Figure 2
**Households living in crowded homes, 1995**
*The homes of Hispanic households are most likely to be crowded*




Source: Calculated by ERS from 1995 American Housing Survey data.

Figure 3
**Households whose homes lack complete plumbing facilities, 1995**
*Nonmetro homes of Black and poor householders most often lack full plumbing*




Source: Calculated by ERS from 1995 American Housing Survey data.

### Rural Homes Have More Physical Problems

The most widely used index of physical inadequacy combines the plumbing indicator with information about the adequacy of heating and electric facilities, maintenance items like leaking roofs and holes in walls, kitchen facilities, and the condition of public hallways and other common areas in multi-unit housing. By this measure, 6 percent of nonmetro homes and 4 percent of metro homes were considered moderately inadequate, and another 2 percent of each were severely inadequate in 1995 (fig. 4). The combined incidence of moderate and severe physical inadequacy is 24 percent for the homes of all nonmetro Black households, and 34 percent for those who were also poor. While the homes of nonmetro poor and Hispanic households were on average better than those of Black households, they were twice as likely as all nonmetro homes to be physically inadequate.

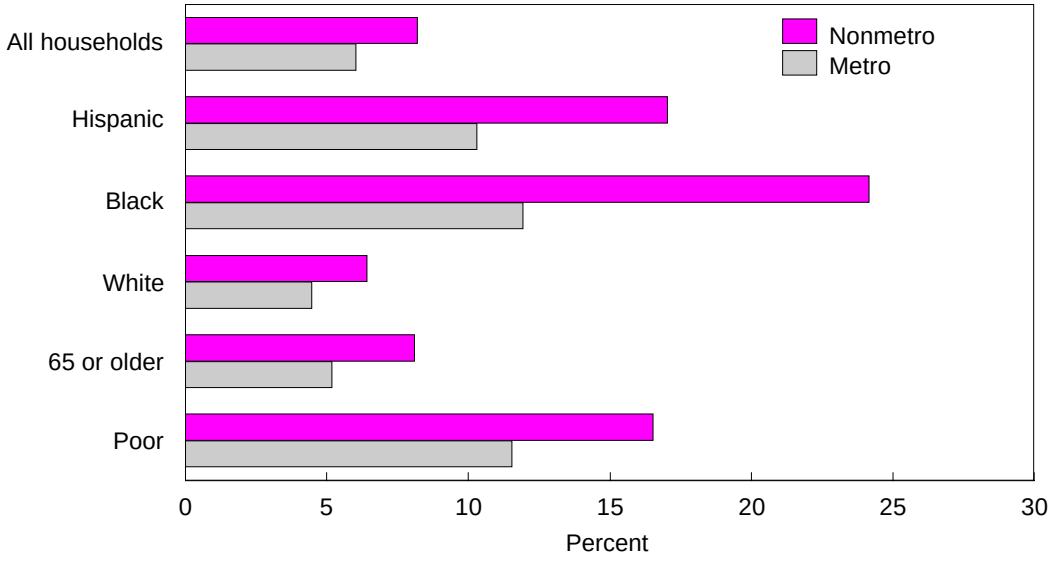
### Excessive Housing Expenses Most Often Hurt the Poor

Over 2 percent of nonmetro households had housing expenses deemed excessive because they consumed over half of the household's income. Twice as many nonmetro homes would have been labeled as too expensive, if we had instead used a 30-percent threshold. Not surprisingly, the poor were most likely to spend a large part of their income on housing (fig. 5). Housing expenses were more of an urban than rural problem for all of the population groups considered. And, within each of these groups, excessive housing expenses were mostly a problem for the poor. For instance, 34 percent of poor nonmetro Black households had excessive housing expenses, compared with only 2 percent of Black households not in poverty.

Figure 4

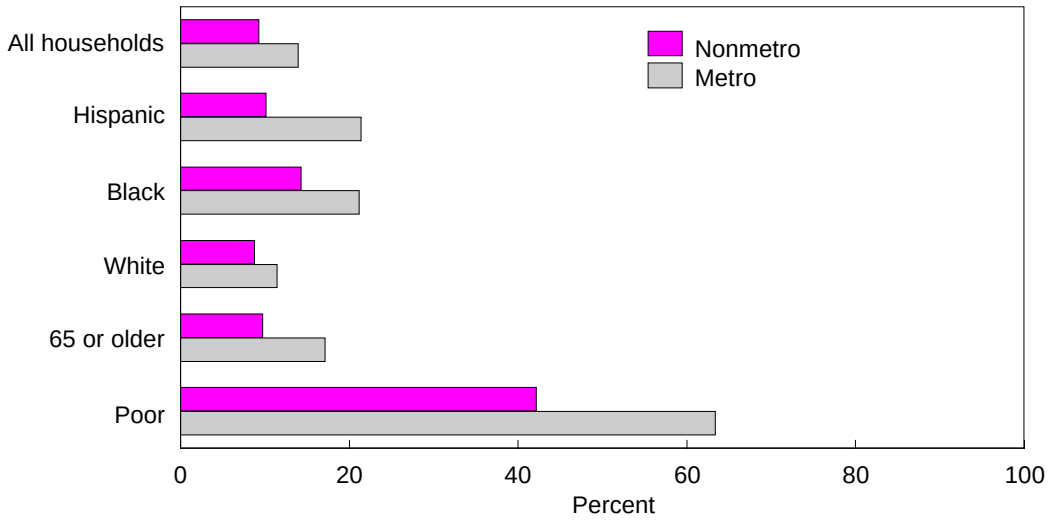
**Households whose homes are physically inadequate, 1995**

*The homes of nonmetro minority and poor households are most likely to have significant physical problems*




Source: Calculated by ERS from 1995 American Housing Survey data.

Figure 5
**Households whose housing expenses exceed half of their income, 1995**
*Housing consumes the bulk of many poor families' budgets*




Source: Calculated by ERS from 1995 American Housing Survey data.

### Indicators Fail to Reflect Current Housing Needs of Elderly

The housing needs of older persons frequently differ from those of other households. The more important housing issues for this rapidly growing population, which are highlighted by the data presented here, stem from the particularly high rate of homeownership. The 65-and-older homeownership rates—84 percent in nonmetro and 76 percent in metro areas—were well above the overall levels in 1995. This raises numerous important housing issues for this aging population of homeowners that common indicators fail to reflect. Some of these issues include housing design, modification, and location that will accommodate independent living at an affordable cost. Whether emanating from the government or private sector, programs and innovations designed to extend the period of independent living for older persons, particularly in rural areas, should be targeted largely at a population of homeowners, not renters. The median home equity of elderly nonmetro homeowners is over $60,000, as more than 85 percent own their home free and clear of mortgage debt. Various types of reverse mortgages to tap home equity without selling the home are currently available, but have been used only sparsely. Rural communities that will be most affected by these housing issues include those with larger shares of elderly population and communities functioning as destinations for retirees.

### Diverse Rural Housing Needs Require Diverse Programs

Addressing a number of different housing needs requires access to a mix of housing programs that offer considerable flexibility. In fact, numerous programs address such specific issues as home mortgage availability, the low-income housing stock, and rental assistance. And recent changes in Federal housing programs reduce operating restrictions, making it possible for applications at the State and local level to more appropriately address specific needs. *[James Mikesell, 202-694-5432, mikesell@econ.ag.gov]*

# Minority Hired Farmworkers Earn About the Same as Their Nonminority Counterparts

*Minority workers have become almost one-half of the hired farmworkers in the United States. They are more likely than White farmworkers to be male, older, married, less educated, employed in crop production, and to experience wider fluctuations in employment during the year. Unlike all minority wage and salary workers' earnings, minority hired farmworkers' earnings do not differ from those of White workers.*

Hired farmworkers, although less than 1 percent of all wage and salary workers, are over 30 percent of the production-agricultural work force (operators and unpaid family members account for the other 70 percent). They provide the labor at critical production times when labor demand exceeds what can be supplied by farm operators and their family members.

An annual average of 889,000 persons, including 424,000 minority workers age 15 and over, did hired farmwork each week as their primary employment during 1997, according to data from the Current Population Survey (CPS) earnings microdata file. Hired farmworkers include persons who reported their primary employment during the week as farm managers (9 percent), supervisors of farmworkers (4 percent), nursery workers (3 percent), and farmworkers engaged in planting, cultivating, and harvesting crops or attending to livestock (84 percent). Some of these hired farmworkers (9 percent) work in jobs in agricultural services (establishments primarily engaged in performing farm labor and management services, soil preparation services, and animal and crop services for others on a contract or fee basis).

The average weekly number of hired farmworkers in 1997 (889,000) was statistically unchanged from 1996. However, the number of hired farmworkers in 1997 was one of the highest during the 1990's.

### Minorities Account for Nearly Half of Hired Farmworkers

Over the past 40 years, minority workers have increased from about 30 percent to about 50 percent of the hired farm work force. In 1997, 424,000, or 48 percent, of the hired farmworkers were minority workers (41 percent Hispanic and 7 percent Black and other), compared with 29,813,000, or 26 percent, of all wage and salary workers (10 percent Hispanic and 16 percent Black and other). All wage and salary workers include hired farmworkers. The number and percentage of hired farmworkers who belong to a minority have remained fairly constant since 1994 (the year that the CPS was changed). The percentage of minority workers among all wage and salary workers has increased each year since 1994.

Minority hired farmworkers are more likely than White hired farmworkers to be male, older, married, and less educated (table 1). Similar results, except for age and marital status, are shown for all wage and salary workers (table 2).

Most minority hired farmworkers (64 percent) are employed in crop production. Almost 96 percent of them are located in the South and West census regions, compared with 71 percent of all wage and salary workers. They work predominantly as farmworkers and nursery workers (92 percent, compared with 87 percent for all hired farmworkers), and a few work as supervisors of farmworkers (5 percent) and managers (3 percent). Most White hired farmworkers (58 percent) are employed in livestock production in the Midwest and South census regions.

Farm employment fluctuates more throughout the year than nonfarm employment. In 1997, the number of hired farmworkers ranged from a low of about 589,000 in January to a high of 1,117,000 in July (a 90-percent increase), compared with all wage and salary workers where the range was from a low of about 111,390,000 in January to a high of 116,610,000 in July (a 5-percent increase). The range for minority hired farmworkers was from a low of 242,000 in December to a high of 582,000 in April, a difference of 340,000, or 141 percent (table 3). For White hired farmworkers, the range was from a low of 294,000 in January to a high of 590,000 in February, a difference of 295,000 or 100 percent (table 3).

Table 1

**Demographic and earnings characteristics of hired farmworkers, by race and ethnicity, 1997**

*White hired farmworkers are better educated then their minority counterparts, but their earnings are similar*

| Characteristics | All | White | Hispanic | Black and other | All minorities[1] |
|---|---|---|---|---|---|
| | | | Thousands | | |
| Number of workers | 889 | 465 | 365 | 59 | 424 |
| | | | Percent | | |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Gender: | | | | | |
| Male | 83.3 | 80.0 | 86.9* | 87.2 | 87.0* |
| Female | 16.7 | 20.0 | 13.1* | 12.8 | 13.0* |
| Age (years): | | | | | |
| Less than 20 | 15.9* | 25.1 | 5.9* | 5.5* | 5.8* |
| 20-24 | 14.8 | 14.9 | 15.2 | 10.9 | 14.6* |
| 25-34 | 24.3 | 19.7 | 30.9* | 19.1 | 29.3* |
| 35-44 | 21.4 | 19.5 | 22.9 | 26.8 | 23.4* |
| 45-54 | 12.8 | 9.5 | 14.7 | 27.8* | 16.5* |
| 55 and older | 10.9 | 11.4 | 10.4 | 9.9 | 10.4 |
| | | | Years | | |
| Median age | 33* | 29 | 34* | 38* | 35* |
| | | | Percent | | |
| Marital status: | | | | | |
| Married | 52.1* | 43.5 | 63.9* | 46.4 | 61.5* |
| Widowed, divorced, or separated | 8.5 | 10.0 | 6.2 | 10.2 | 6.8 |
| Never married | 39.5* | 46.5 | 29.9* | 43.3 | 31.7* |
| Schooling completed: | | | | | |
| 0-4 years | 12.2* | 1.0 | 27.0* | 9.2 | 24.6* |
| 5-8 years | 22.1* | 7.6 | 40.5* | 22.6* | 37.9* |
| 9-11 years | 24.8* | 30.9 | 16.1* | 30.5 | 18.1* |
| 12 years | 22.3* | 31.5 | 10.3* | 23.7 | 12.2* |
| 13 years or more | 18.6* | 28.9 | 6.1* | 14.1* | 7.2* |
| | | | 1997 dollars | | |
| Median weekly earnings | 250 | 240 | 252 | 250 | 250 |

Note: These characteristics are annual averages calculated from the 12 monthly Current Population Survey estimates.

*Significantly different from White workers at the 95-percent confidence level.

[1]Combination of Hispanics, Blacks, and other.

Source: Calculated by ERS using data from the Current Population Survey earnings microdata file.

Table 2

**Demographic and earnings characteristics of all wage and salary workers, by race and ethnicity, 1997**

*White and non-White workers differ in demographic and earnings characteristics*

| Characteristics | All | White | Hispanic | Black and other | All minorities [1] |
|---|---|---|---|---|---|
| | | | Thousands | | |
| Number of workers | 114,697 | 84,884 | 11,896 | 17,917 | 29,813 |
| | | | Percent | | |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Gender: | | | | | |
| Male | 52.2 | 52.0 | 60.2* | 48.0* | 52.8* |
| Female | 47.8 | 48.0 | 39.8* | 52.0* | 47.2* |
| Age (years): | | | | | |
| Less than 20 | 6.0* | 6.3 | 6.1 | | 5.3* |
| 20-24 | 10.5* | 9.8 | 14.9* | 10.7* | 12.4* |
| 25-34 | 25.6* | 24.1 | 32.2* | 28.3* | 29.8* |
| 35-44 | 27.4 | 27.3 | 25.7* | 29.0* | 27.7* |
| 45-54 | 19.7* | 20.8 | 14.0* | 18.4* | 16.6* |
| 55 and older | 10.8 | 11.7 | 7.1* | 8.8* | 8.1* |
| | | | Years | | |
| Median age | 37* | 38 | 33* | 36* | 35* |
| | | | Percent | | |
| Marital status: | | | | | |
| Married | 57.0* | 59.4 | 56.4* | 45.6* | 49.9* |
| Widowed, divorced, or separated | 14.6 | 14.5 | 11.9* | 17.8* | 15.0* |
| Never married | 28.4* | 26.2 | 31.7* | 36.6* | 34.6* |
| Schooling completed: | | | | | |
| 0-4 years | .8* | .1 | 5.2* | .7* | 2.5* |
| 5-8 years | 2.8* | 1.3 | 14.9* | 2.3* | 7.3* |
| 9-11 years | 10.0* | 8.6 | 18.2* | 11.4* | 14.1* |
| 12 years | 32.4 | 32.6 | 29.1* | 33.6* | 31.8* |
| 13 years or more | 54.0* | 57.4 | 32.6* | 52.0* | 44.3* |
| | | | 1997 dollars | | |
| Median weekly earnings | 432* | 471 | 320* | 376* | 350* |

Note: These characteristics are annual averages calculated from the 12 monthly Current Population Survey estimates.

*Significantly different from White workers at the 95-percent confidence level.

[1]Combination of Hispanics, Blacks, and other.

Source: Calculated by ERS using data from the Current Population Survey earnings microdata file.

Table 3

**Average number of hired farmworkers employed per month, by race and ethnicity, 1997**

*Monthly employment differs between White and minority workers*

| Month | All | White | Hispanic | Black and other | All minorities1 |
|---|---|---|---|---|---|
| | | | Thousands | | |
| January | 589 | 294 | 244 | 50 | 294 |
| February | 985 | 590 | 359 | 36 | 395 |
| March | 942 | 493 | 371 | 78 | 449 |
| April | 1,048 | 466 | 549 | 33 | 582 |
| May | 885 | 454 | 346 | 85 | 431 |
| June | 1,107 | 569 | 499 | 39 | 538 |
| July | 1,117 | 574 | 492 | 51 | 543 |
| August | 923 | 510 | 356 | 57 | 413 |
| September | 880 | 386 | 345 | 149 | 494 |
| October | 711 | 366 | 316 | 29 | 345 |
| November | 798 | 443 | 310 | 45 | 355 |
| December | 679 | 437 | 191 | 51 | 242 |

[1]Combination of Hispanics, Blacks, and other.

Source: Calculated by ERS using data from the Current Population Survey earnings microdata file.

### Unemployment Disproportionately Affects Minority Hired Farmworkers

The average weekly number of unemployed persons claiming hired farm work as their last primary occupation was about 106,000 in 1997. Hispanics, Blacks, and others accounted for 69 percent of these unemployed persons, a much greater percentage than their participation (50 percent) in the hired farm work labor pool. They also accounted for over 1 percent of all unemployed persons in 1997.

### Minority Hired Farmworkers Earn the Same as All Hired Farmworkers

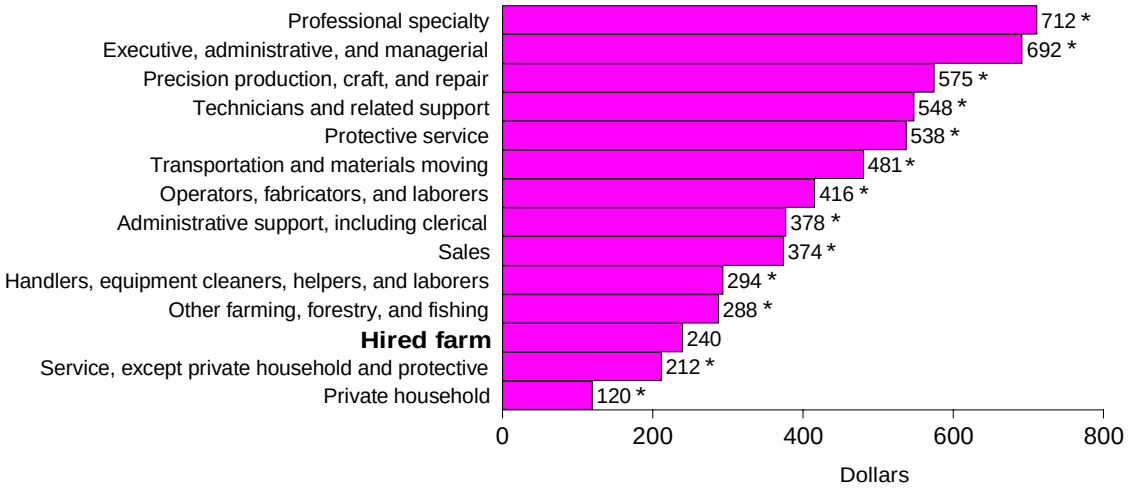
Unlike all wage and salary workers, the median weekly earnings of hired farmworkers did not differ significantly by race (tables 1 and 2). Although the median weekly wages for White hired farmworkers ($240) were lower than most other occupations, the median weekly earnings of Hispanic and Black hired farmworkers ($252 and $250, respectively) did not differ statistically from those in several other occupations (fig. 1).

The median weekly earnings (in real dollars) for hired farmworkers did not change significantly between 1994 ($258) and 1997 ($250). Real median weekly earnings significantly increased between 1994 ($458) and 1997 ($471) only for White wage and salary workers. Therefore, all hired farmworkers and all minority wage and salary workers are no better off, in terms of median weekly earnings, in 1997 than they were in 1994. *[Jack L. Runyan, 202-694-5438, jrunyan@econ.ag.gov]*

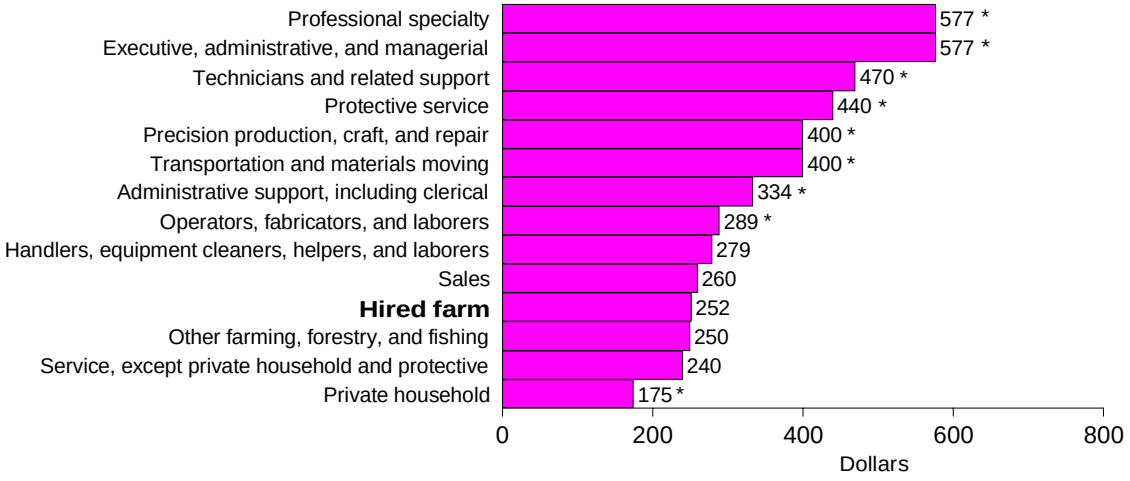
Figure 1

## Median weekly earnings of wage and salary workers, by occupation, 1997

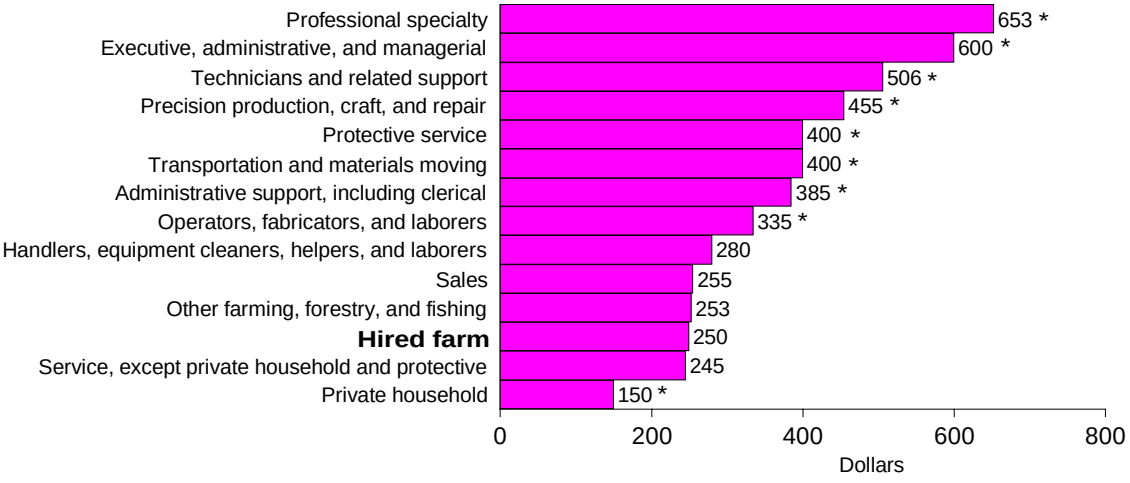
*White hired farmworkers' earnings rank near the bottom of major occupational groups*




*Hispanic hired farmworkers' earnings rank near the bottom of major occupational groups, but are not significantly different from earnings of Hispanics in several other occupational groups*




*Black and other hired farmworkers' earnings, like Hispanics, are near the low end, but are not significantly different from earnings of Blacks and others in several other occupational groups*




*Statistically significant at the 95-percent level from hired farmworkers' median weekly earnings.
Source: Calculated by ERS using data from the 1997 Current Population Survey earnings microdata file.

# Sources and Levels of Farm Household Income Vary by Type of Farm

*Average farm operator household income was about equal to that of all U.S. households in 1996. Only 16 percent of farm households' income came from farming. But, the sources and level of farm household income varied considerably, depending on the type of farm operated. The wealth of farm households, however, consisted largely of their farms, regardless of the type of farm they operated.*

On average, 84 percent of farm households' income came from off-farm sources in 1996, mostly from wages and salaries. Operator household income averaged $50,400, which was on par with the $47,100 average for all U.S. households in 1996. The level and sources of income, however, varied with farm and operator characteristics.

This article examines the income of households operating "small farms," as defined by the National Commission on Small Farms, which was established in 1997 by the Secretary of Agriculture to examine issues facing small farms. The Commission used $250,000 in gross sales as its cutoff between small and large farms in its report, *A Time to Act*, released in January 1998. The Commission set the cutoff high enough to include more farm families of relatively modest income who may need or want to improve their net farm income. As a result, the Commission's cutoff includes 9 out of 10 U.S. farms.

### A New ERS Classification of Small Farms

A broad category that includes so many farms may be divided for policy discussions. The Economic Research Service (ERS) developed a new farm typology to divide small (and other) U.S. farms into mutually exclusive and more homogeneous groups (see "The Farm Typology," p. 108). The farm typology focuses on "family farms," defined here as farms organized as proprietorships, partnerships, and family corporations. Family farms exclude farms organized as nonfamily corporations or cooperatives, as well as farms with hired managers. Family farms are closely held (legally controlled) by their operator and the operator's household.

The first group identified by the typology is **limited-resource farms**, or family farms with gross sales less than $100,000, farm assets less than $150,000, and household income less than $20,000. This definition is similar to limited-resource definitions used by the Risk Management Agency and the Natural Resources Conservation Service. Identifying this group is critical because agencies may need to develop special efforts to serve limited-resource farmers.

Unlike farmers in the other groups of small farms, limited-resource farmers are not restricted to one major occupation. Limited-resource farmers may report farming, a nonfarm occupation, or retirement as their major occupation. The limited-resource group identifies farmers with low sales, income, and assets, regardless of their major occupation.

The remaining small family farms are classified into one of three additional groups based on the major occupation of the operators—the occupation at which they spend more than 50 percent of their work time.

- **Retirement farms.** Small farms, the operators of which are retired. The operators may have had either a farm or nonfarm occupation before retirement. However, they still are engaged enough in farming to produce at least $1,000 of farm products, the minimum necessary for an establishment to be classified as a farm.
- **Residential/lifestyle farms.** Small farms, the operators of which report a major occupation other than farming. Some operators in this group may view their farms strictly as a hobby that provides a farm lifestyle. For others, the farm provides a residence and may supplement their off-farm income. Some may hope to eventually farm full-time. Some operators in this group may not actually live on their farm, but visit it in their spare time.
- **Farming occupation farms.** Small farms, the operators of which report farming as their major occupation. Although the operator spends most of his or her time farming, the household may receive substantial income from off-farm work by other household members and part-time off-farm work by the operator. Larger and small-

er farms in this group differ in their characteristics, so the group is further divided into two additional subgroups based on gross sales:

* **Lower sales farms.** Farming occupation farms with sales less than $100,000.
* **Higher sales farms.** Farming occupation farms with sales between $100,000 and $249,999.

Three additional groups of farms were added to the typology to ensure that it covers all farms. **Large family farms** have sales between $250,000 and $499,999, and **very large family farms** have sales of $500,000 or more. Finally, the **nonfamily farms** group includes farms organized as nonfamily corporations or cooperatives and farms with hired managers.

The information presented here is from the 1996 Agricultural Resource Management Study (ARMS), conducted by ERS and the National Agricultural Statistics Service (NASS), both USDA agencies. ARMS is an annual survey that collects information from farmers across the United States. It is the only source of farm business and farm household data complete enough to produce the typology (see "Data and Definitions" in the appendix for more information about the survey).

### Large and Very Large Family Farms Produce Half of Farm Output

Although most U.S. farms are classified as small family farms, agricultural production is highly concentrated among large and very large family farms. These two groups together made up 8 percent of all farms in 1996, but accounted for 57 percent of U.S. production of agricultural products (fig. 1). Some small farms also made a substantial contribution to production. Small farms with high sales were responsible for 20 percent of the value of production, about the same percentage contributed by large farms. And small farms with lower sales accounted for another 10 percent of production.

**The Farm Typology**

**Small Family Farms (sales less than $250,000)**

1. **Limited-resource farms**. Any small farm with (1) gross sales less than $100,000, (2) total farm assets less than $150,000, and (3) total operator house hold income less than $20,000. Limited-resource farmers may report farming, a nonfarm occupation, or retirement as their major occupation.
2. **Retirement farms.** Small farms, the operators of which report they are retired. (Excludes limited-resource farms operated by retired farmers.)
3. **Residential/lifestyle farms**. Small farms, the operators of which report a major occupation other than farming. (Excludes limited-resource farms with operators reporting a nonfarm major occupation.)
4. **Farming occupation/lower sales.** Small farms with sales less than $100,000, the operators of which report farming as their major occupation. (Excludes limited-resource farms with operators reporting farming as their major occupation.)
5. **Farming occupation/higher sales**. Small farms with sales between $100,000 and $249,999 with operators reporting farming as their major occupation.

**Other Farms**

6. **Large family farms.** Sales between $250,000 and $499,999.
7. **Very large family farms.** Sales of $500,000 or more.
8. **Nonfamily farms.** Farms organized as nonfamily corporations or cooperatives, as well as farms operated by hired managers.

Figure 1
**Share of farms and value of production, by farm typology group, 1996**
*Large and very large family farms account for 57 percent of the value of production*


*The relative standard error exceeds 25 percent but is no more than 50 percent.
Source: USDA, Economic Research Service, 1996 Agricultural Resource Management Study.

At the other extreme, about half of all U.S. farms were in the limited-resource, retirement, and residential/lifestyle categories, but these farms produced only 6 percent of farm output. Most farm businesses are very small because only $1,000 of farm sales is necessary for an establishment to be classified as a farm according to the official U.S. definition. As shown below, many farm households rely on off-farm income—either by choice or necessity—because most establishments classified as farms produce too little to support a family.

### Levels and Sources of Income Vary

The levels and sources of income varied widely from group to group (fig. 2). Households operating very large farms had the highest average household income, $193,800, about four times the average for all U.S. households. These households received only 18 percent of their income from off-farm sources. (See app. table 20 for more information about the income of farm households).

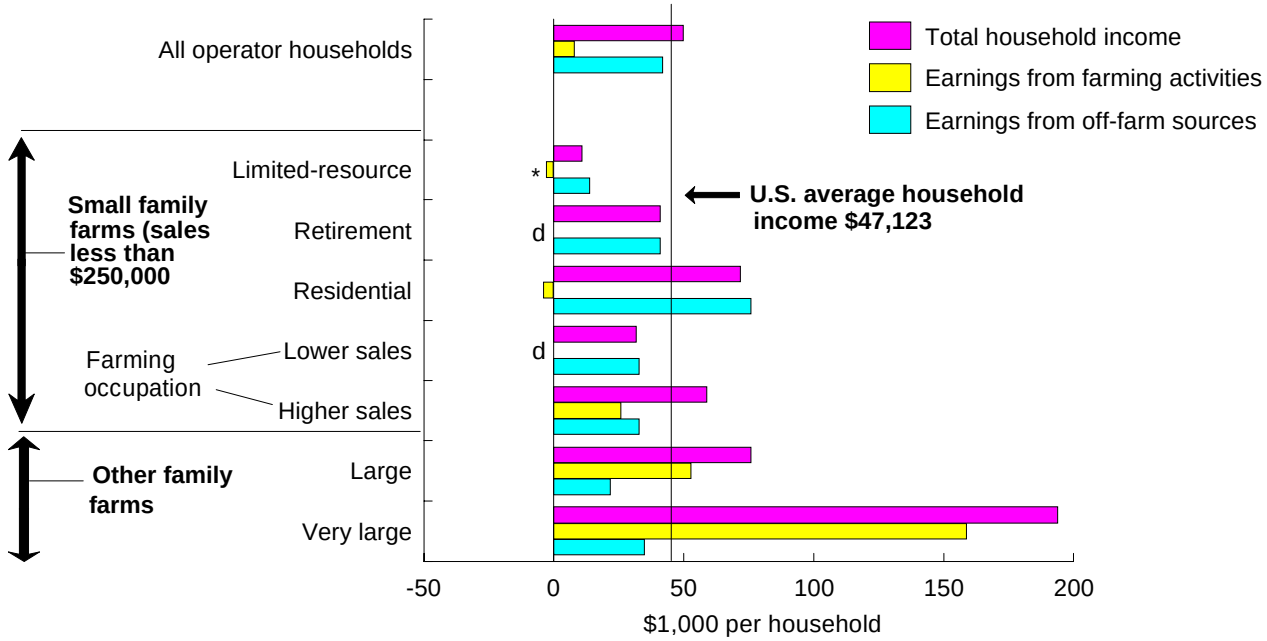
Households operating residential/lifestyle farms or large farms also had an average income above the average for all U.S. households, but the sources of income differed between the two groups. Households with residential/lifestyle farms received virtually all of their income from off-farm sources. Forty-six percent of these farms specialized in beef, which in the case of cow-calf enterprises can have relatively low labor requirements compatible with off-farm work (see app. table 21 for more information about the characteristics of farms in the typology). In contrast, households with large farms received only 30 percent of their income from off the farm. Cash grain was the most common specialization for large family farms (40 percent).

Households operating retirement farms or higher sales small farms had an average income that did not differ from the average for all U.S. households by a statistically significant amount. Nearly all the income of households with retirement farms came from off the farm, and 62 percent of their off-farm income was from unearned sources, such as

Figure 2

**Total, farm-related, and off-farm income per operator household, by farm typology group, 1996**

*Small farms depend heavily on off-farm income*




Note: Household income data are not collected for nonfamily farms. Earnings from off-farm sources can be larger than total household income if earnings from farming activities are negative.

*The relative standard error exceeds 25 percent but is no more than 50 percent.

d = Earnings from farming activities supressed because the standard error exceeds 75 percent.

Source: USDA, Economic Research Service, 1996 Agricultural Resource Management Study for operator household data. U.S. Bureau of the Census, Current Population Survey for all U.S. households.

Social Security and investment income. About 36 percent of retirement farms specialized in beef cattle. For another 21 percent of retirement farms, the Conservation Reserve Program (CRP) was the sole source of farm income. The cropland had retired on these farms—at least temporarily—as well as the farmer.

Unlike households running retirement farms, households operating small higher sales farms received just 57 percent of their income from off-farm sources. Cash grain was the most common specialization for high-sales farms (49 percent), and another 21 percent specialized in dairy. As one would expect from these specializations, 63 percent of higher sales farmers lived in the Lake States, Corn Belt, and Northern Plains. (See “Definitions” in the appendix for the States in each major farming region.)

The two remaining groups, lower sales and limited-resource farm households, had average household incomes below the average for all U.S. households and relied heavily on off-farm income. Income for households operating lower sales small farms averaged $31,500, or 67 percent of the average for all U.S. households. Practically all of their income came from off-farm sources, on average. Like retirement farms and residential/lifestyle farms, lower sales farms often specialized in beef cattle (38 percent).

Off-farm income averaged $13,600 for households with limited-resource farms, but they lost an average of $3,000 from farming. As a result, they averaged only $10,600 in total household income, or about one-fifth of the average for all U.S. households. Most limited-resource farmers did not report farming as their major occupation. Nearly half (49 percent) were retired, and another 19 percent had a nonfarm occupation. Most (54 percent) limited-resource farms specialized in beef cattle, a good fit for those who were retired or worked

off-farm. Limited-resource farms were largely a Southern phenomenon; 62 percent of limited-resource farmers lived in Southern farming regions.

Although many farm households relied heavily on off-farm sources for income, most operator household wealth came from the farm, regardless of the type of farm operated (fig. 3). Except for households operating limited-resource farms, each group of households had an average household net worth above the $205,900 average for all U.S. households for 1995, as reported by the most current Survey of Consumer Finances. Most of the net worth of operator households is illiquid and not readily available for spending, since it is largely based on assets necessary for farming.

### Black Farmers More Likely to Be Limited-Resource Farmers

ARMS does not have sufficient sample size to examine farms in the minority-concentration county groups discussed elsewhere in this issue of *Rural Conditions and Trends*. Nevertheless, some comparisons between Black and White farmers are possible at the national level. Black farm households had a much lower average household income ($19,600) than White farm households ($52,300) (fig. 4). About 43 percent of Black farmers operated limited-resource farms, compared with 13 percent of White farmers. (The difference between the Black and White estimates of limited-resource farmers was statistically significant only at the 89-percent level, however.)

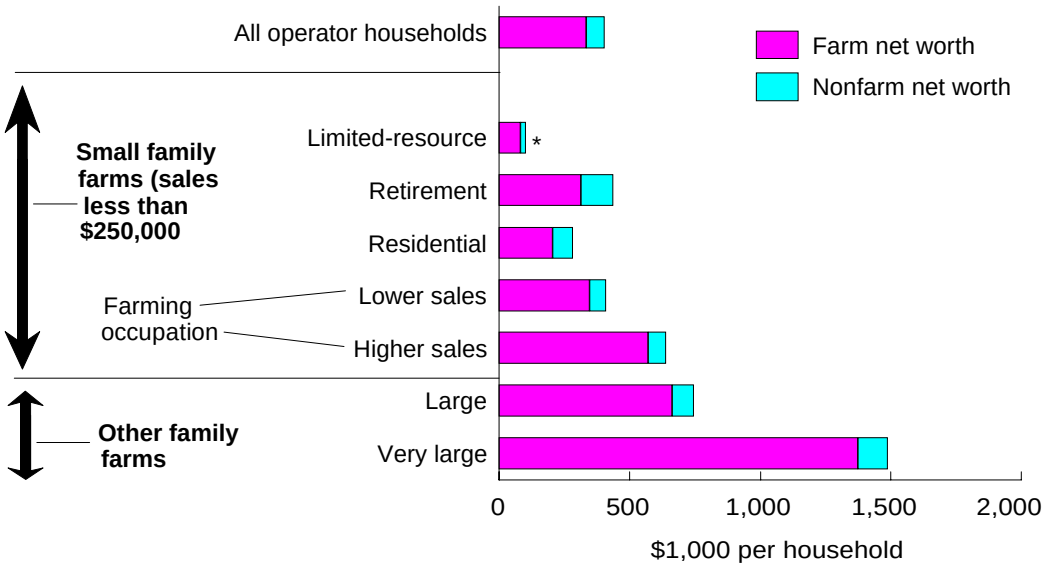
### Both Farm and Nonfarm Economy Are Important to Farmers

The information presented above has policy implications for any discussion of farm households. Regardless of the type of farm, operators of small farms rely to some extent on off-farm income. On average, virtually all income comes from off-farm sources for households operating limited-resource, retirement, residential/lifestyle, or low-sales farms. Even households with large farms and very large farms receive substantial off-farm income (an average of $22,400 and $35,000, respectively), although most of their income comes from farming activities. As a result, the nonfarm economy is an important issue for farm operators and their households. For the half million residential/lifestyle farmers, the nonfarm economy is essential. For operators of retirement farms (and retired operators of limited-resource farms), the status of retirement programs, the Conservation Reserve Program (CRP), and the returns on investments are also critical.

Nevertheless, operators of many small farms may be interested in improving their earnings from farming activities through such measurers as extension education, innovative marketing programs, and credit targeted specifically at small farms. Trying to raise earnings from farming may be particularly appropriate for limited-resource farmers. Even modest improvements in household income could be important to these low-income farmers.

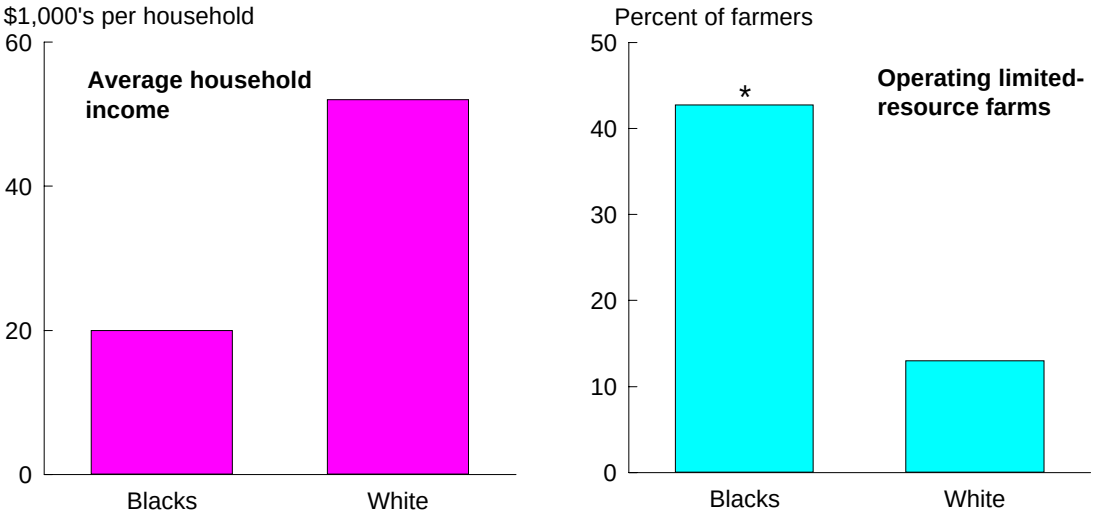
Traditional farm programs—including transition payments under the 1996 farm legislation—may be of limited use to most small farms. Farm programs focus on grain, cotton, and dairy products, while many small farmers specialize in beef cattle. Farm programs are most relevant to higher sales small farms, since half of them specialize in cash grain. *[Robert A. Hoppe, 202-694-5572, rhoppe@econ.ag.gov]*

Figure 3
**Average farm operator household net worth, by farm typology group, 1996**
*Most farm operator households' wealth comes from the farm*




Note: Household net worth data are not collected for nonfamily farms.
*The relative standard error exceeds 25 percent but is no more than 50 percent.
Source: USDA, Economic Research Service, 1996 Agricultural Resource Management Study.

Figure 4
**Average household income and percentage operating limited-resource farms for Black and White farmers, 1996**
*Black farmers have lower average household income and are more likely to operate limited-resource farms*




*The relative standard error exceeds 25 percent but is no more than 50 percent.
Source: USDA, Economic Research Service, 1996 Agricultural Resource Management Study.

### Defining Household Income

The Current Population Survey (CPS), conducted by the Bureau of the Census, is the source of official U.S. household income statistics. Thus, calculating an estimate of farm household income from the Agricultural Resource Management Study (ARMS) that is consistent with CPS methodology allows income comparisons between farm operator households and all U.S. households.

The CPS definition of farm self-employment income is net money income from the operation of a farm by a person on his or her own account, as an owner or renter. CPS self-employment income includes income received as cash, but excludes in-kind or nonmoney receipts. The CPS definition departs from a strictly cash concept by deducting depreciation, a noncash business expense, from the income of self-employed people.

Farm self-employment income from the ARMS is the sum of the operator household's share of farm business income (net cash farm income less depreciation), wages paid to the operator, and net rental income from renting farmland. Adding other farm-related earnings of the operator household yields earnings of the operator household from farming activities. (Other farm-related earnings consists of net income from a farm business other than the one being surveyed, wages paid by the farm business to household members other than the operator, and commodities paid to household members for farm work.)

Earnings of the operator household from farming activities is not a complete measure of economic well-being provided by the farm. It leaves out some resources the farm business makes available to the household. For example, depreciation is an expense deducted from income that may not actually be spent during the current year. Increases in inventories are excluded from the earnings measure, but they could be sold to raise cash. Nonmoney income, such as the imputed rental value of a farm-owned dwelling, represents a business contribution to household income because it frees up household cash that would otherwise be spent on housing. Finally, earnings of the operator household from farming activities does not reflect the large net worth of many farm operator households.

## Data Sources

**Employment data:** Data on metro and nonmetro employment and unemployment reported in this issue come from two sources. The monthly Current Population Survey (CPS), conducted by the Bureau of the Census for the Bureau of Labor Statistics (BLS), provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro population. The CPS derives estimates based on interviews of a national sample of about 47,000 households that are representative of the U.S. civilian noninstitutional population 15 years of age and over. Labor force information is based on respondents' activity during 1 week each month. Among the data products of the CPS are the monthly files, the earnings microdata files, and the March Annual Demographic Supplement (known as the March CPS). BLS county-level employment data, the Local Area Unemployment Statistics (LAUS), are taken from unemployment insurance claims and State surveys of establishment payrolls, which are then benchmarked to State totals from the CPS. The BLS data series provides monthly estimates of labor force, employment, and unemployment for individual counties.

Each of these data sets has its advantages and disadvantages. The CPS furnishes detailed employment, unemployment, and demographic data for metro and nonmetro portions of the Nation. The LAUS provides less detailed employment data than the CPS, but it offers very current employment and unemployment information at the county level and is less subject to short-term fluctuations due to sample variability. While these data sources are likely to provide different estimates of employment conditions at any point in time, they generally indicate similar trends.

**Earnings data:** Data on metro and nonmetro earnings reported in this issue come from two sources. The data for average and median weekly earnings worked are drawn from the outgoing rotation of respondents in the monthly CPS, about one-quarter of the total sample. These respondents are asked about the usual earnings on their sole or primary job. The CPS earnings microdata file, referred to as the earnings file, consists of all records from the monthly quarter-samples of CPS households that were subject to having these questions on hours worked and earnings asked during the year. The 1997 data file contained information on almost 430,000 persons. Data are available for all wage and salary workers in both the public and private sectors. The CPS collects information from people at their residences. They may work in other areas, such as nonmetro residents who work in metro areas.

The Bureau of Economic Analysis' Regional Economic Information System is the source of the county-level earnings and jobs data used in this issue to analyze nonfarm earnings per job. These BEA data are based primarily on administrative records of the unemployment insurance program. While the CPS analysis is of the earnings of metro and nonmetro residents, the BEA earnings per nonfarm jobs analysis covers the jobs located in metro and nonmetro areas. The analyses also differ in that the CPS earnings are based on full-time workers while the BEA earnings are the average over all jobs in the area, including both full- and part-time jobs. The CPS earnings are an indicator of worker well-being while the BEA earnings are an indicator of the strength of the local labor market.

**Farm labor data:** Information on the characteristics and earnings of hired farmworkers are from the CPS earnings microdata file. The data for average and median weekly earnings and usual weekly hours worked are drawn from the outgoing rotation of respondents in the monthly CPS, as were the overall metro and nonmetro earnings. The 1997 data file is based on information from 1,210 hired farmworkers, which is used for estimates of the hired farmworker population.

**Farm household income and net worth data:** Farm household income and net worth data are from the 1996 Agricultural Resource Management Study (ARMS). The ARMS is a probability-based, annual survey in which each respondent represents a number of farms of similar size and type. Thus, ARMS sample data can be expanded using appropriate weights to represent all farms in the contiguous United States. The ARMS is conducted annually by the Economic Research Service (ERS) and the National Agricultural

Statistics Service (NASS) in all States except Alaska and Hawaii. The 1996 ARMS household data were based on usable data collected from nearly 7,000 farms and ranches. ARMS was previously known as the Farm Costs and Returns Survey (FCRS).

Estimates based on an expanded sample differ from what would have occurred if a complete enumeration had been taken. However, the relative standard error (RSE), a measure of sampling variability, is available from survey results. The RSE is the standard error of the estimate expressed as a percentage of the estimate. According to the guidelines for use of the ARMS, any estimate with an RSE greater than 25 percent must be identified; such estimates are identified in the figures and appendix tables of the article on farm household income.

The standard error of the estimate can also be used to evaluate the statistical differences between ARMS-based estimates. The article on operator household income emphasizes differences between ARMS-based estimates only when estimates were significantly different at the 95-percent level or higher, unless stated otherwise.

**Housing data:** Housing data are from the American Housing Survey conducted by the Bureau of the Census for the U.S. Department of Housing and Urban Development. The American Housing Survey is a longitudinal survey designed to provide detailed information on housing structure, use, and plumbing characteristics, equipment and fuel use, housing and neighborhood quality, financial characteristics, and household attributes of current occupants. The national sample is based on about 55,000 units selected for interview in 1995. Data are weighted to reflect the U.S. population. Data were collected annually from 1973 to 1981 as the Annual Housing Survey and every other year since 1981 as the American Housing Survey.

**Income, poverty, and transfers data:** The household income and poverty data reported in this issue were calculated from the March Annual Demographic Supplement of the Current Population Survey, known as the March CPS. Every year, the March CPS includes supplemental questions on sources and amounts of money received during the previous calendar year. Consequently, income information in the March CPS refers to the previous year. Estimates from the March CPS are published by the Bureau of the Census in the Consumer Income P-60 series. Information on family size and income is used to estimate the number of families and individuals in poverty based on official guidelines issued by the Office of Management and Budget. Demographic data are available to examine the distribution of income and the characteristics of the poverty populations in metro and nonmetro areas.

Information on personal income and transfers payments derives from the Bureau of Economic Analysis (BEA) employment and income data. BEA estimates annual earnings, proprietor's income, transfer payments, and other personal income at the county level based primarily on administrative records. BEA's estimates of personal income includes in-kind sources, such as Medicare and food stamp benefits.

The CPS household income estimates exclude in-kind income, so the two sources differ in both the unit of analysis (local area income per person versus income of households) and the income definition (cash and in-kind versus cash only). The CPS incomes are an indicator of household well-being while the BEA income and transfers are indicators of local area well-being and program dependence.

**Population and migration data:** Estimates of population change, net migration, and natural increase are from the Bureau of the Census county population estimates issued annually. Population estimates are based on various data sources. Births and deaths are based on vital statistics records. Migration estimates are derived as a residual by subtracting natural population increase from actual increases. Estimates include net gain from other counties as well as the institutional population. Data on the characteristics of migrants, elderly, and children are from the March 1996 and March 1997 Current Population Survey.

## Definitions

**Adjusted unemployment rate:** The total unemployed, plus all marginally attached workers (including discouraged workers), plus total workers employed part-time for economic reasons, as a percentage of the civilian labor force plus all marginally attached workers. The adjusted unemployment rate is a more comprehensive way to measure labor market distress than the unemployment rate. This measure corresponds with the Bureau of Labor Statistics's U-6 measure of unemployment, from the 1994 revised alternative measures of labor underutilization.

**Civilian labor force:** Noninstitutional civilians age 16 or older who are either employed or unemployed. Individuals who are neither employed nor unemployed are out of the labor force.

**Family:** Family is defined as two or more people residing together who are related by birth, marriage, or adoption.

**Farm:** Any place from which $1,000 or more worth of agricultural products is sold or normally would be sold in a year.

**Farm operator:** The person who runs the farm, making the day-to-day decisions. Information is collected for only one operator per farm. For farms with more than one operator, data are collected only for the primary operator.

**Farm operator households:** The households of primary operators of farms organized as individual operations, partnerships, and family corporations. These farms are closely held (legally controlled) by their operator and the operator's household. Farm operator households exclude households associated with farms organized as nonfamily corporations or cooperatives, as well as households where the operator is a hired manager. Household members include all persons dependent on the household for financial support, whether they live in the household or not. Students away at school, for example, are counted as household members if they are dependents.

**Farm operator household income:** The total income of farm operator households consists of earnings from farming activities and earnings from off-farm sources. Calculating earnings from farming activities begins with farm self-employment income. Farm self-employment income is the sum of the operator household's share of farm business income (net cash farm income less depreciation), wages paid to the operator, and net rental income from renting farmland. Adding other farm-related earnings of the operator household yields earnings from farming activities. (Other farm-related earnings consists of net income from a farm business other than the one being surveyed, wages paid by the farm business to household members other than the operator, and commodities paid to household members for farm work.) Earnings from off-farm income is the income that all farm household members received from other sources, including wages and salaries, the net income of any nonfarm businesses, interest and dividends, and all other cash off-farm income.

**Farm operator household net worth:** The difference between the operator household's assets and liabilities. It is calculated as the sum of the operator household's farm net worth and nonfarm net worth. If the net worth of the farm is shared with other households (such as the households of shareholders in a family corporation), only the operator household's share is included.

**Farm typology:** The Economic Research Service (ERS) developed a farm classification to divide small family and other farms in the United States into mutually exclusive and more homogeneous groups. The farm typology focuses on "family farms," or farms organized as proprietorships, partnerships, and family corporations that are not operated by a hired manager. To be complete, however, it also considers nonfamily farms.

***Small family farms*** (sales less than $250,000):

*Limited-resource farms*—Any small farm with (1) gross sales less than $100,000, (2) total farm assets less $150,000, and (3) total operator household income less than $20,000. Limited-resource farmers may report farming, a nonfarm occupation, or retirement as their major occupation.

*Retirement farms*—Small farms with operators who report they are retired (excludes limited-resource farms operated by retired farmers).

*Residential/lifestyle farms*—Small farms with operators who report they had a major occupation other than farming (excludes limited-resource farms with operators reporting a nonfarm major occupation).

*Farming occupation/lower sales*—Small farms with sales less than $100,000 and operators who report farming as their major occupation (excludes limited-resource farms with operators reporting farming as their major occupation).

*Farming occupation/higher sales*—Small farms with sales between $100,000 and $249,999 and operators who report farming as their major occupation.

***Other farms:***

*Large family farms*—Sales between $250,000 and $499,999.

*Very large family farms*—Sales of $500,000 or more.

*Nonfamily farms*—Farms organized as nonfamily corporations or cooperatives, as well as farms operated by hired managers.

**Hired farmworkers:** Persons age 15 and older who do farm work for cash wages or salary, including persons who manage farms for employers on a paid basis, supervisors of farmworkers, and general farm and nursery workers.

**Household:** Households consist of all persons living in a housing unit. A house, an apartment, or a single room is considered a housing unit if it is occupied as separate living quarters. To be classified as separate living quarters, the occupants of the housing unit must not live and eat with any other people in the structure.

**Household income:** The sum of the amounts of money received from wages and salaries; nonfarm self-employment income; farm self-employment income; Social Security or railroad retirement; Supplement Security Income; cash public assistance or welfare payments; dividends, interest, or net rental income; veterans payments; unemployment or workers' compensation; private or government employee pensions; alimony or child support; and other periodic payments for all household members.

**Inflation rate:** The percentage change in a measure of the average price level. The two measures of the average price level used in this issue are the Consumer Price Index for All Urban Consumers (CPI-U) and the chain-type price index for Personal Consumption Expenditures.

**Inmigration** and inmovement are used interchangeably.

**Major farming regions:**

*Northeast*—Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont.

*Lake States*—Michigan, Minnesota, Wisconsin.

*Corn Belt*—Illinois, Indiana, Iowa, Missouri, Ohio.

*Northern Plains*—Kansas, Nebraska, North Dakota, South Dakota.

*Appalachian*—Kentucky, North Carolina, Tennessee, Virginia, West Virginia.

*Southeast*—Alabama, Florida, Georgia, South Carolina.

*Delta*—Arkansas, Louisiana, Mississippi.

*Southern Plains*—Oklahoma, Texas.

*Mountain*—Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming.

*Pacific*—California, Oregon, Washington.

**Median household income:** The median household income is the income of the household at the center of the income ranking (that is, at the 50th percentile). Thus, the median represents the income of the average household. The median has the advantage of not being influenced by the very high incomes of a small minority of households or persons.

**Metro areas:** Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people or have an urbanized area of 50,000 or more and total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically integrated with the core county or counties. For most data sources, these designations are based on population and commuting data from the 1990 Census of Population. The Current Population Survey data beginning in 1995 categorizes counties as metro and nonmetro based on population and commuting data from the 1990 census. Throughout this publication, "urban" and "metro" have been used interchangeably to refer to people and places within MSA's.

**Minority counties:** Refers to three categories of minority counties—Black, Hispanic, and Native American—defined as having 33 percent or more of the population coming from the particular racial or ethnic group. These high-minority counties are subdivided into substantially minority counties (33 to 50 percent) and predominantly minority counties (50 percent or more).

**Natural amenities index:** Natural amenities are measured using an index created at the Economic Research Service, combining measures of climate, topography, and the presence of bodies of water. The index of climate attractiveness is defined using January temperature, number of days with sun in January, July temperature (expressed as a residual when regressed against January temperature), and July humidity. Topography is defined as the difference between an index of mountainous or rugged terrain and average elevation. The presence of bodies of water is measured using the percentage of land area covered by water.

**Nonfarm earnings:** The sum of wage and salary income, other labor income, such as privately administered pension and profit-sharing plans, and current production income of nonfarm sole proprietorships, partnerships, and tax-exempt cooperatives.

**Nonmetro areas:** Counties outside metro area boundaries. Throughout this publication, "rural" and "nonmetro" are used interchangeably to refer to people and places outside of MSA's.

**Outmigration** and outmovement are used interchangeably.

**Personal income:** The sum of money income to a person from all sources, from which money income is regularly received, reported as having been received in the previous calendar year. The sources of money income are wages and salary; net income from the operation of a business or farm; dividends, interest, royalties, and net rental income; alimony and child support payments received from outside the household; pensions; and transfer payments. Specifically excluded under this definition are windfalls, such as a lump sum payment of an inheritance even though in money; capital gains or losses; income in kind; and all within-household gifts or transfers whether in cash or kind.

**Poverty:** A person is in poverty if his or her family's money income is below the official poverty threshold appropriate for that size and type of family. Different thresholds exist for elderly and nonelderly persons living along, for two-person families with and without elderly heads, and for different family sizes by number of children. For example, the poverty threshold for a family of four with two children was $15,911 in 1996. The thresholds are adjusted for inflation annually using the Consumer Price Index.

**Region:** The States in each Census region are as follows:

*Northeast*—Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

*Midwest*—Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

*South*—Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

*West*—Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

**Rural-urban continuum codes:** Classification system developed by ERS to group counties by the size of their urban population and their adjacency to larger areas. (See Margaret A. Butler and Calvin L. Beale, *Rural-Urban Continuum Codes for Metro and Nonmetro Counties, 1993*, AGES 9425, U.S. Department of Agriculture, Economic Research Service, Sept. 1994).

*Metro counties—*

Central counties of metro areas of 1 million population or more

Fringe counties of metro areas of 1 million population or more

Counties in metro areas of 250,000 to 1 million population

Counties in metro areas of fewer than 250,000 population

*Nonmetro counties—*

Urban population of 20,000 or more, adjacent to a metro area

Urban population of 20,000 or more, not adjacent to a metro area

Urban population of 2,500 to 19,999, adjacent to a metro area

Urban population of 2,500 to 19,999, not adjacent to a metro area

Completely rural or less than 2,500 urban population, adjacent to a metro area

Completely rural or less than 2,500 urban population, not adjacent to a metro area

*Nonmetro adjacent counties—*

Nonmetro counties are classified as adjacent if they are physically adjacent to one or more metro areas and have at least 2 percent of the employment labor force in the county commuting to the central metro county for work.

**Transfer payments:** Cash or goods that people and nonprofit institutions receive from government and some businesses (for example, liability payments) for which no work is currently performed. Receipt of transfer payments, however, may reflect work performed in the past. For example, elderly people receive Social Security now because they worked earlier in their lives and paid taxes to fund the program. Government transfers to individuals are grouped into the following categories: retirement and disability programs, medical programs, income maintenance programs, unemployment insurance, veterans' programs, and other. Further classification combines Medicaid benefits with income maintenance benefits to form a pubic assistance category comparable with the classification used by the Social Security Administration.

Note that payments from farm commodity programs are received as part of farmers' gross cash income from current farming activities. They are not transfer payments.

**Typology codes:** Classification system developed and periodically revised by ERS to group counties by economic and policy-relevant characteristics. The typology codes used in this issue are those described in Peggy J. Cook and Karen L. Mizer, *The Revised ERS County Typology: An Overview*, RDRR 89, U.S. Department of Agriculture, Economic Research Service, Dec. 1994.

*Economic types (mutually exclusive, a county may fall into only one economic type):*

*Farming-dependent*—Farming contributed a weighted annual average of 20 percent or more of total labor and proprietors' income over the 3 years from 1987 to 1989.

*Mining-dependent*—Mining contributed a weighted annual average of 15 percent or more of total labor and proprietors' income over the 3 years from 1987 to 1989.

*Manufacturing-dependent*—Manufacturing contributed a weighted annual average of 30 percent or more of total labor and proprietors' income over the 3 years from 1987 to 1989.

*Government-dependent*—Federal, State, and local government activities contributed a weighted annual average of 25 percent or more of total labor and proprietors' income over the 3 years from 1987 to 1989.

*Services-dependent*—Service activities (private and personal services, agricultural services, wholesale and retail trade, finance, insurance, real estate, transportation, and public utilities) contributed a weighted annual average of 50 percent or more of total labor and proprietors' income over the 3 years from 1987 to 1989.

*Nonspecialized*—Counties not classified as a specialized economic type over the 3 years from 1987 to 1989.

*Policy types (overlapping, a county may fall into any number of these types and one economic type):*

*Retirement-destination*—The population age 60 years and over in 1990 increased by 15 percent or more during 1980-90 through inmovement of people.

*Federal lands*—Federally owned lands made up 30 percent or more of a county's land area in the year 1987.

*Commuting*—Workers age 16 years and over commuting to jobs outside their county of residence were 40 percent or more of all the county's workers in 1990.

*Persistent-poverty*—Persons with poverty-level income in the preceding year were 20 percent or more of total population in each of 4 years: 1960, 1970, 1980, 1990.

*Transfers-dependent*—Income from transfer payments contributed a weighted annual average of 25 percent or more of total personal income over the 3 years from 1987 to 1989.

**Unemployment rate:** The number of unemployed people 16 years and older as a percentage of the civilian labor force age 16 years and older.

## Appendix table 1—Nonmetro employment and unemployment, by race and ethnicity, 1973-97

| Year | Employment | | | | Unemployment rate | | | |
|---|---|---|---|---|---|---|---|---|
| | Overall | White | Black | Hispanic | Overall | White | Black | Hispanic |
| | Thousands | | | | Percent | | | |
| 1997 | 24,360 | 21,981 | 1,731 | 1,116 | 5.2 | 4.6 | 11.6 | 8.5 |
| 1996 | 24,059 | 21,774 | 1,637 | 1,029 | 5.5 | 4.8 | 12.8 | 8.4 |
| 1995 | 24,184 | NA | NA | NA | 5.7 | NA | NA | NA |
| 1994 | 23,970 | NA | NA | NA | 5.9 | NA | NA | NA |
| 1993 | 25,586 | 23,237 | 1,804 | 764 | 6.6 | 6.1 | 12.4 | 9.5 |
| 1992 | 25,034 | 22,692 | 1,839 | 686 | 7.2 | 6.6 | 13.1 | 12.3 |
| 1991 | 24,452 | 22,109 | 1,881 | 595 | 7.1 | 6.5 | 12.9 | 9.2 |
| 1990 | 24,661 | 22,318 | 1,874 | 667 | 6.0 | 5.3 | 12.0 | 10.2 |
| 1989 | 24,718 | 22,461 | 1,849 | 632 | 5.7 | 5.1 | 12.0 | 9.3 |
| 1988 | 23,827 | 21,695 | 1,775 | 573 | 6.2 | 5.6 | 12.8 | 12.7 |
| 1987 | 23,302 | 21,158 | 1,778 | 534 | 7.2 | 6.4 | 14.0 | 12.6 |
| 1986 | 23,091 | 21,070 | 1,659 | 532 | 8.3 | 7.5 | 15.9 | 13.9 |
| 1985 | 22,700 | 20,737 | 1,615 | 511 | 8.4 | 7.5 | 16.8 | 13.1 |
| 1984 | 31,930 | 29,256 | 2,213 | 751 | 8.1 | 7.3 | 16.3 | 12.1 |
| 1983 | 30,696 | 28,144 | 2,106 | 728 | 10.1 | 9.2 | 19.0 | 17.2 |
| 1982 | 30,335 | 27,922 | 1,983 | 744 | 10.1 | 9.3 | 19.1 | 14.3 |
| 1981 | 30,488 | 28,153 | 1,994 | 763 | 7.9 | 7.3 | 14.9 | 10.4 |
| 1980 | 30,150 | 27,877 | 1,953 | 737 | 7.3 | 6.7 | 13.7 | 9.5 |
| 1979 | 29,916 | 27,602 | 1,993 | 672 | 5.7 | 5.2 | 11.4 | 9.4 |
| 1978 | 29,844 | 27,372 | 2,134 | 627 | 5.8 | 5.3 | 11.4 | 9.2 |
| 1977 | 28,317 | 26,081 | 2,039 | 617 | 6.6 | 6.1 | 12.1 | 9.6 |
| 1976 | 27,150 | 25,050 | 1,919 | 586 | 7.0 | 6.5 | 12.5 | 9.8 |
| 1975 | 26,126 | 24,125 | 1,843 | 584 | 8.0 | 7.4 | 14.3 | 10.3 |
| 1974 | 26,458 | 24,376 | 1,929 | 615 | 5.1 | 4.7 | 10.1 | 10.9 |
| 1973 | 26,091 | 24,084 | 1,850 | 445 | 4.4 | 4.0 | 8.9 | 8.1 |

NA = Data not available.

Note: White, Black, and Hispanic employment does not sum to overall employment because Hispanics can be of any race and because overall employment also includes other races not specifically shown. Data on employment by ethnicity by nonmetro status are not available for 1994 or 1995. Beginning in 1994, the metro-nonmetro definition is based on the 1990 Census. Also beginning in 1994, CPS estimates reflect a revised questionnaire and collection methodology and are not strictly comparable with prior data. Beginning in 1990, population controls are based on the 1990 Census. Beginning in 1985, revised population controls and the metro-nonmetro definition are based on the 1980 Census.

Source: Calculated by ERS using data from the Current Population Survey.

## Appendix table 2—Population, by race and ethnicity in rural minority counties, 1990

| Item | Counties | Total | Non-Hispanic | | | | | Hispanic |
|---|---|---|---|---|---|---|---|---|
| | | | White | Black | Native American | Asian | Other | |
| | Number | | Thousands | | | | | |
| U.S. total | 3,101 | 248,710 | 188,128 | 29,216 | 1,794 | 6,968 | 249 | 22,354 |
| Metro | 813 | 197,812 | 144,753 | 24,888 | 912 | 6,580 | 229 | 20,452 |
| Nonmetro | 2,288 | 50,898 | 43,376 | 4,329 | 882 | 389 | 20 | 1,902 |
| All minority counties | 333 | 6,274 | 3,005 | 2,028 | 374 | 22 | 4 | 841 |
| Substantial | 197 | 3,908 | 2,215 | 1,214 | 134 | 15 | 2 | 328 |
| Predominant | 136 | 2,366 | 790 | 813 | 240 | 7 | 2 | 513 |
| Black counties | 208 | 4,230 | 2,210 | 1,972 | 18 | 11 | 1 | 29 |
| Substantial | 131 | 2,895 | 1,683 | 1,167 | 15 | 8 | 1 | 22 |
| Predominant | 77 | 1,345 | 527 | 805 | 3 | 3 | .2 | 7 |
| Native American counties | 37 | 638 | 221 | 28 | 343 | 2 | .4 | 40 |
| Substantial | 15 | 300 | 132 | 27 | 115 | 1 | .2 | 22 |
| Predominant | 22 | 338 | 89 | 1 | 228 | 1 | .2 | 18 |
| Hispanic counties | 88 | 1,400 | 573 | 28 | 14 | 9 | 3 | 773 |
| Substantial | 51 | 717 | 400 | 21 | 5 | 6 | 2 | 284 |
| Predominant | 37 | 683 | 173 | 7 | 9 | 3 | 1 | 489 |
| Other nonmetro counties | 1,955 | 44,624 | 40,370 | 2,301 | 508 | 367 | 16 | 1,062 |

Notes: 1993 metro definition. See p. 118 for definition of high-minority counties.
Source: Calculated by ERS using data from the Bureau of the Census.

**ppendi ta le er enta e of ounties in persistent poverty, 1960-90, and poverty rates, y ra e and ethni ity, 1989, in rural inority ounties**

| Item | Persistent-poverty counties | Total | Black | Native American | Hispanic | Non-minority |
|---|---|---|---|---|---|---|
| | Percent of counties | Percent in poverty | | | | |
| U.S. total | n/a | 13.1 | 29.5 | 30.9 | 25.3 | 9.8 |
| Metro | n/a | 12.1 | 27.7 | 24.1 | 24.5 | 8.5 |
| Nonmetro | 23.5 | 17.1 | 40.2 | 38.8 | 33.4 | 14.2 |
| All minority counties | 74.1 | 27.8 | 43.5 | 45.6 | 38.1 | 12.8 |
| Substantial | 62.8 | 23.8 | 40.7 | 37.9 | 34.8 | 12.7 |
| Predominant | 90.4 | 34.4 | 47.8 | 49.8 | 40.2 | 13.0 |
| Black counties | 77.9 | 27.0 | 43.6 | 32.3 | 30.8 | 12.2 |
| Substantial | 67.2 | 23.8 | 40.7 | 30.6 | 27.1 | 12.1 |
| Predominant | 96.1 | 33.8 | 47.9 | 41.3 | 45.0 | 12.3 |
| Native American counties | 80.6 | 33.4 | 38.8 | 46.7 | 29.3 | 13.8 |
| Substantial | 71.4 | 26.9 | 39.6 | 39.0 | 30.6 | 14.7 |
| Predominant | 86.4 | 39.0 | 23.1 | 50.6 | 27.7 | 12.6 |
| Hispanic counties | 62.5 | 27.9 | 41.4 | 34.5 | 38.7 | 14.8 |
| Substantial | 49.0 | 22.9 | 43.9 | 41.3 | 35.5 | 14.7 |
| Predominant | 81.1 | 33.4 | 34.0 | 34.7 | 40.6 | 15.2 |
| Other nonmetro areas | 14.9 | 15.6 | 37.2 | 33.9 | 29.5 | 14.0 |

n/a = Not applicable.

Notes: 1993 metro definition. See p. 118 for definitions of minority counties and poverty and p. 120 for definition of persistent-poverty counties, which are defined for nonmetro counties only. Nonminority rates are for Whites (Hispanic and non-Hispanic) in all areas except the Hispanic counties, where poverty rates are reported for the total non-Hispanic population, which includes a small number of non-Whites. This is done because poverty was not reported by race for the Hispanic population.

Source: Calculated by ERS using data from the 1990 Census of Population, Bureau of the Census.

## Appendix table 4—Population change, net migration, and natural increase, by county type, 1990-97

| County type | Counties | Population change | Share of counties with increasing population | Natural change | Share of counties with natural increase | Net migration | Share of counties with net immigration |
|---|---|---|---|---|---|---|---|
| | Number | Percent | | | | | |
| Total nonmetro | 2,291 | 6.6 | 73 | 2.6 | 73 | 4.0 | 64 |
| Farming | 556 | 4.4 | 48 | 2.0 | 53 | 2.3 | 45 |
| Mining | 146 | 2.8 | 60 | 2.9 | 82 | -.1 | 50 |
| Manufacturing | 506 | 5.9 | 86 | 2.5 | 88 | 3.4 | 73 |
| Government | 253 | 6.9 | 83 | 4.9 | 83 | 2.0 | 71 |
| Services | 324 | 9.5 | 82 | 2.2 | 73 | 7.3 | 73 |
| Nonspecialized | 485 | 7.0 | 80 | 1.9 | 73 | 5.1 | 73 |
| Retirement | 190 | 19.1 | 100 | 2.0 | 61 | 17.1 | 99 |
| Federal lands | 283 | 15.6 | 91 | 4.4 | 86 | 11.2 | 82 |
| Commuting | 381 | 9.8 | 90 | 2.4 | 81 | 7.5 | 86 |
| Persistent-poverty | 539 | 5.5 | 72 | 3.5 | 82 | 1.9 | 57 |
| Transfer-dependent | 385 | 6.2 | 75 | 1.6 | 64 | 4.9 | 68 |
| Recreation | 282 | 12.7 | 92 | 2.9 | 76 | 9.8 | 87 |
| Adjacent to large metro | 184 | 9.9 | 92 | 3.1 | 85 | 6.8 | 84 |
| Adjacent to small metro | 805 | 7.1 | 84 | 2.4 | 81 | 4.6 | 74 |
| Nonadjacent to metro | 1,302 | 5.3 | 64 | 2.6 | 66 | 2.7 | 56 |
| Metro | 813 | 7.8 | 89 | 5.8 | 96 | 2.1 | 72 |

Notes: County types are not mutually exclusive, except that farming, mining, manufacturing, government, services, and nonspecialized types are mutually exclusive of each other. Recreational counties defined by Johnson and Beale in *Rural Conditions and Trends,* Vol. 5, No. 1, Spring 1994. Adjacency defined by urban influence code, Ghelfi and Parker, "A County Level Measure of Urban Influence," ERS staff paper No. 9702, Feb. 1997. All other types defined in Cook and Mizer, *The Revised Economic Research Service County Typology: An Overview*, RDRR 89, Economic Research Service, Dec.1994. Percentage change is aggregate change for all cases in category. Number of counties reflects the aggregation of Virginia independent cities with their counties of origin. (See "Data Sources and Definitions" appendix for more information.)

Source: Calculated by ERS using data from the Bureau of the Census.

## Appendix table 5—Nonmetro and metro labor force statistics, annual averages, 1990-97

| Year | Population 16 and older | Labor force | Labor force participation | Employed | Employment/population ratio | Unemployed | Unemployment rate: Basic | Unemployment rate: Adjusted |
|---|---|---|---|---|---|---|---|---|
| | Thousands | | Percent | Thousands | Percent | Thousands | Percent | |
| Nonmetro: | | | | | | | | |
| 1997 | 39,843 | 25,689 | 64.5 | 24,360 | 61.1 | 1,330 | 5.2 | 9.5 |
| 1996 | 39,540 | 25,463 | 64.4 | 24,059 | 60.8 | 1,405 | 5.5 | 10.2 |
| 1995 | 39,997 | 25,638 | 64.1 | 24,184 | 60.5 | 1,454 | 5.7 | 10.6 |
| 1994 | 39,834 | 25,487 | 64.0 | 23,970 | 60.2 | 1,516 | 5.9 | 11.0 |
| 1993 | 43,140 | 27,401 | 63.5 | 25,586 | 59.3 | 1,814 | 6.6 | 10.4 |
| 1992 | 42,479 | 26,988 | 63.5 | 25,034 | 58.9 | 1,954 | 7.2 | 11.1 |
| 1991 | 41,971 | 26,323 | 62.7 | 24,452 | 58.3 | 1,871 | 7.1 | 11.0 |
| 1990 | 41,677 | 26,235 | 62.9 | 24,661 | 59.2 | 1,574 | 6.0 | 9.5 |
| Metro: | | | | | | | | |
| 1997 | 163,223 | 110,608 | 67.8 | 105,199 | 64.5 | 5,410 | 4.9 | 8.7 |
| 1996 | 161,050 | 108,481 | 67.4 | 102,649 | 63.7 | 5,831 | 5.4 | 9.5 |
| 1995 | 158,587 | 106,666 | 67.3 | 100,716 | 63.5 | 5,951 | 5.6 | 10.0 |
| 1994 | 156,982 | 105,575 | 67.3 | 99,095 | 63.1 | 6,480 | 6.1 | 10.8 |
| 1993 | 151,698 | 101,799 | 67.1 | 94,673 | 62.4 | 7,126 | 7.0 | 10.2 |
| 1992 | 150,326 | 101,117 | 67.3 | 93,458 | 62.2 | 7,659 | 7.6 | 10.8 |
| 1991 | 148,954 | 100,024 | 67.2 | 93,267 | 62.6 | 6,757 | 6.8 | 9.8 |
| 1990 | 147,487 | 99,605 | 67.5 | 94,133 | 63.8 | 5,473 | 5.5 | 8.0 |

Notes: Beginning in 1994, the adjusted unemployment rate is defined as the total unemployed, plus all marginally attached workers, plus total employed part-time for economic reasons, as a percentage of the civilian labor force plus all marginally attached workers. This is reported by the Bureau of Labor Statistics as U-6. Prior to 1994, the adjusted unemployment rate is defined as total unemployed, plus discouraged workers, plus one-half of workers part-time for economic reasons as a percentage of the civilian labor force plus all discouraged workers.

Beginning in 1994, CPS estimates reflect a revised questionnaire and collection methodology and are not strictly comparable with prior data. Metro-nonmetro definition is based on the Office of Management and Budget (OMB) designation as of June 1, 1993. Beginning in 1996, estimates are based on a reduced sample size. Nonmetro areas were disproportionately affected by this change compared with metro areas. The nonmetro decline in the civilian noninstitutionalized population between the fourth quarter of 1995 and the first quarter of 1996 is thought to be the result of this change.

Source: Calculated by ERS using data from the Current Population Survey, Bureau of the Census.

**Appendix table 6—Metro labor force and employment: Seasonally adjusted, first quarter 1990 through second quarter 1998**

| Year/quarter | | Labor force | Employed | Labor force growth | Employment growth |
|---|---|---|---|---|---|
| | | Thousands | | Percent | |
| 1998: | 2nd | 111,776 | 107,108 | 0.4 | 1.0 |
| | 1st | 111,668 | 106,833 | 2.4 | 2.9 |
| 1997: | 4th | 111,020 | 106,069 | 1.9 | 2.8 |
| | 3rd | 110,495 | 105,343 | 2.1 | 2.6 |
| | 2nd | 109,920 | 104,673 | 1.8 | 2.4 |
| | 1st | 109,428 | 104,058 | 1.8 | 2.2 |
| 1996: | 4th | 108,954 | 103,498 | 1.9 | 2.2 |
| | 3rd | 108,443 | 102,929 | 1.6 | 2.1 |
| | 2nd | 108,009 | 102,390 | 1.4 | 1.9 |
| | 1st | 107,627 | 101,903 | .9 | 1.2 |
| 1995: | 4th | 107,380 | 101,589 | 1.4 | 1.6 |
| | 3rd | 107,009 | 101,198 | 1.4 | 1.4 |
| | 2nd | 106,637 | 100,841 | 1.2 | 1.1 |
| | 1st | 106,314 | 100,565 | 1.3 | 1.9 |
| 1994: | 4th | 105,981 | 100,088 | .5 | 1.9 |
| | 3rd | 105,836 | 99,629 | 1.3 | 2.2 |
| | 2nd | 105,492 | 99,092 | 1.4 | 2.5 |
| | 1st | 105,124 | 98,472 | 1.1 | 2.2 |
| 1993: | 4th | 104,838 | 97,934 | 1.6 | 2.1 |
| | 3rd | 104,434 | 97,418 | 1.3 | 1.9 |
| | 2nd | 104,092 | 96,957 | 1.2 | 1.6 |
| | 1st | 103,773 | 96,571 | -.3 | 1.1 |
| 1992: | 4th | 103,863 | 96,304 | .4 | 1.2 |
| | 3rd | 103,751 | 96,017 | 1.2 | 1.0 |
| | 2nd | 103,436 | 95,780 | 1.7 | 1.0 |
| | 1st | 103,004 | 95,532 | 2.6 | .5 |
| 1991: | 4th | 102,345 | 95,406 | 1.3 | .2 |
| | 3rd | 102,018 | 95,353 | .3 | .1 |
| | 2nd | 101,945 | 95,322 | .6 | -.5 |
| | 1st | 101,791 | 95,433 | -.5 | -2.7 |
| 1990: | 4th | 101,916 | 96,093 | -0 | -1.7 |
| | 3rd | 101,926 | 96,504 | .9 | -.2 |
| | 2nd | 101,698 | 96,553 | .9 | .7 |
| | 1st | 101,476 | 96,384 | 3.3 | 3.8 |

-0 = Less than -0.05 percent.

Source: Calculated by ERS using data from the Local Area Unemployment Statistics.

**Appendix table 7—Nonmetro labor force and employment: Seasonally adjusted, first quarter 1990 through 2nd quarter 1998**

| Year/quarter | | Labor force | Employed | Labor force growth | Employment growth |
|---|---|---|---|---|---|
| | | Thousands | | Percent | |
| 1998: | 2nd | 26,180 | 24,800 | 0.7 | 0.2 |
| | 1st | 26,223 | 24,785 | 1.0 | 1.7 |
| 1997: | 4th | 26,160 | 24,683 | 1.8 | 2.9 |
| | 3rd | 26,042 | 24,508 | 1.3 | 1.9 |
| | 2nd | 25,959 | 24,393 | .1 | 1.0 |
| | 1st | 25,951 | 24,331 | -0 | .4 |
| 1996: | 4th | 25,954 | 24,307 | .3 | .5 |
| | 3rd | 25,936 | 24,278 | .3 | .8 |
| | 2nd | 25,916 | 24,233 | 1.2 | 1.3 |
| | 1st | 25,837 | 24,153 | .9 | .7 |
| 1995: | 4th | 25,781 | 24,110 | .9 | .7 |
| | 3rd | 25,721 | 24,066 | 1.0 | .4 |
| | 2nd | 25,657 | 24,039 | 1.1 | .5 |
| | 1st | 25,589 | 24,010 | 1.3 | 1.9 |
| 1994: | 4th | 25,508 | 23,897 | 1.7 | 2.7 |
| | 3rd | 25,403 | 23,739 | 2.0 | 2.9 |
| | 2nd | 25,275 | 23,571 | 1.9 | 3.1 |
| | 1st | 25,155 | 23,390 | 1.6 | 2.8 |
| 1993: | 4th | 25,054 | 23,230 | 1.9 | 2.7 |
| | 3rd | 24,937 | 23,076 | 1.8 | 2.6 |
| | 2nd | 24,828 | 22,926 | 2.3 | 2.0 |
| | 1st | 24,689 | 22,811 | .2 | 1.7 |
| 1992: | 4th | 24,679 | 22,715 | .2 | 1.4 |
| | 3rd | 24,665 | 22,634 | 1.6 | 1.7 |
| | 2nd | 24,565 | 22,537 | 2.4 | 2.2 |
| | 1st | 24,418 | 22,417 | 4.3 | 2.5 |
| 1991: | 4th | 24,163 | 22,280 | 1.6 | .7 |
| | 3rd | 24,067 | 22,240 | .6 | 1.0 |
| | 2nd | 24,034 | 22,183 | 1.5 | .9 |
| | 1st | 23,943 | 22,134 | 1.0 | -1.2 |
| 1990: | 4th | 23,883 | 22,202 | 1.9 | -.2 |
| | 3rd | 23,769 | 22,214 | .3 | -.8 |
| | 2nd | 23,752 | 22,259 | .5 | .6 |
| | 1st | 23,724 | 22,226 | -2.1 | -1.5 |

-0 = Less than -0.05 percent.

Source: Calculated by ERS using data from the Local Area Unemployment Statistics.

## Appendix table 8—Employment in nonmetro counties, by minority status, 1980-97

| Year | Low minority | Black | Native American | Hispanic |
|---|---|---|---|---|
| | | Thousands | | |
| 1997 | 21,849 | 1,785 | 248 | 596 |
| 1996 | 21,654 | 1,757 | 249 | 578 |
| 1995 | 21,459 | 1,765 | 249 | 583 |
| 1994 | 21,082 | 1,747 | 244 | 578 |
| 1993 | 20,496 | 1,722 | 234 | 558 |
| 1992 | 20,097 | 1,703 | 229 | 546 |
| 1991 | 19,755 | 1,684 | 221 | 544 |
| 1990 | 19,766 | 1,697 | 217 | 539 |
| 1989 | 19,807 | 1,692 | 211 | 529 |
| 1988 | 19,402 | 1,656 | 207 | 520 |
| 1987 | 18,956 | 1,638 | 205 | 506 |
| 1986 | 18,644 | 1,621 | 203 | 499 |
| 1985 | 18,487 | 1,628 | 198 | 513 |
| 1984 | 18,467 | 1,687 | 203 | 509 |
| 1983 | 18,046 | 1,648 | 197 | 507 |
| 1982 | 17,883 | 1,640 | 198 | 504 |
| 1981 | 18,068 | 1,667 | 202 | 495 |
| 1980 | 17,952 | 1,670 | 202 | 477 |

Source: Calculated by ERS using data from Bureau of Labor Statistics, Local Area Unemployment Statistics.

## Appendix table 9—Real earnings per nonfarm job, by place of work, 1989-96

| Place of work | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 |
|---|---|---|---|---|---|---|---|---|
| | | | | 1996 dollars | | | | |
| Nonmetro | 22,782 | 22,460 | 22,204 | 22,586 | 22,647 | 22,629 | 22,465 | 22,492 |
| Black | 21,880 | 21,681 | 21,457 | 21,883 | 21,949 | 22,164 | 22,104 | 22,159 |
| Substantial | 22,151 | 21,913 | 21,667 | 22,105 | 22,149 | 22,297 | 22,225 | 22,261 |
| Predominant | 21,194 | 21,095 | 20,923 | 21,314 | 21,434 | 21,824 | 21,792 | 21,896 |
| Native American | 24,888 | 24,815 | 24,724 | 24,728 | 24,653 | 24,417 | 24,153 | 24,014 |
| Substantial | 22,846 | 22,007 | 22,782 | 23,228 | 23,205 | 23,107 | 22,911 | 22,666 |
| Predominant | 26,811 | 26,530 | 26,614 | 26,187 | 26,053 | 25,669 | 25,347 | 25,306 |
| Hispanic | 21,401 | 21,522 | 21,424 | 21,604 | 21,638 | 21,436 | 21,287 | 21,311 |
| Substantial | 22,288 | 22,348 | 22,239 | 22,401 | 22,503 | 22,357 | 22,308 | 22,189 |
| Predominant | 20,335 | 20,545 | 20,457 | 20,672 | 20,635 | 20,382 | 20,123 | 20,298 |
| Metro | 30,856 | 30,855 | 30,584 | 31,490 | 31,484 | 31,404 | 31,480 | 31,717 |
| United States | 29,517 | 29,457 | 29,175 | 29,977 | 29,974 | 29,893 | 29,927 | 30,135 |
| | | | | Percent | | | | |
| Change in earnings from previous year: | | | | | | | | |
| Nonmetro | NA | -1.4 | -1.1 | 1.7 | 0.3 | -0.1 | -0.7 | 0.1 |
| Black | NA | -.9 | -1.0 | 2.0 | .3 | 1.0 | -.3 | .2 |
| Substantial | NA | -1.1 | -1.1 | 2.0 | .2 | .7 | -.3 | .2 |
| Predominant | NA | -.5 | -.8 | 1.9 | .6 | 1.8 | -.1 | .5 |
| Native American | NA | -.3 | -.4 | 0 | -.3 | -1.0 | -1.1 | -.6 |
| Substantial | NA | .7 | -1.0 | 2.0 | -.1 | -.4 | -.8 | -1.1 |
| Predominant | NA | -1.0 | .3 | -1.6 | -.5 | -1.5 | -1.3 | -.2 |
| Hispanic | NA | .6 | -.5 | .8 | .2 | -.9 | -.7 | .1 |
| Substantial | NA | .3 | -.5 | .7 | .5 | -.6 | -.2 | -.5 |
| Predominant | NA | 1.0 | -.4 | 1.0 | -.2 | -1.2 | -1.3 | .9 |
| Metro | NA | -0 | -.9 | 3.0 | -0 | -.3 | .2 | .8 |
| United States | NA | -.2 | -1.0 | 2.7 | -0 | -.3 | .1 | .7 |
| | | | | 1996 dollars | | | | |
| Amount by which earnings lag metro earnings: | | | | | | | | |
| Nonmetro | 8,073 | 8,396 | 8,381 | 8,904 | 8,837 | 8,775 | 9,015 | 9,225 |
| Black | 8,976 | 9,174 | 9,127 | 9,608 | 9,535 | 9,240 | 9,376 | 9,558 |
| Substantial | 8,705 | 8,942 | 8,917 | 9,385 | 9,335 | 9,107 | 9,255 | 9,456 |
| Predominant | 9,662 | 9,760 | 9,662 | 10,176 | 10,050 | 9,580 | 9,688 | 9,822 |
| Native American | 5,968 | 6,040 | 5,861 | 6,762 | 6,831 | 6,987 | 7,327 | 7,704 |
| Substantial | 8,010 | 7,849 | 7,803 | 8,263 | 8,279 | 8,297 | 8,569 | 9,051 |
| Predominant | 4,045 | 4,325 | 3,970 | 5,304 | 5,430 | 5,735 | 6,133 | 6,411 |
| Hispanic | 9,455 | 9,333 | 9,161 | 9,886 | 9,846 | 9,968 | 10,193 | 10,406 |
| Substantial | 8,568 | 8,508 | 8,346 | 9,089 | 8,981 | 9,047 | 9,172 | 9,528 |
| Predominant | 10521 | 10,310 | 10,127 | 10,819 | 10,849 | 11,022 | 11,357 | 11,420 |
| | | | | Percent | | | | |
| Ratio of earnings to metro earnings: | | | | | | | | |
| Nonmetro | 73.8 | 72.8 | 72.6 | 71.7 | 71.9 | 72.1 | 71.4 | 70.9 |
| Black | 70.9 | 70.3 | 70.2 | 69.5 | 69.7 | 70.6 | 70.2 | 69.9 |
| Substantial | 71.8 | 71.0 | 70.8 | 70.2 | 70.3 | 71.0 | 70.6 | 70.2 |
| Predominant | 68.7 | 68.4 | 68.4 | 67.7 | 68.1 | 69.5 | 69.2 | 69.0 |
| Native American | 80.7 | 80.4 | 80.8 | 78.5 | 78.3 | 77.7 | 76.7 | 75.7 |
| Substantial | 74.0 | 74.6 | 74.5 | 73.8 | 73.7 | 73.6 | 72.8 | 71.5 |
| Predominant | 86.9 | 86.0 | 87.0 | 83.2 | 82.8 | 81.7 | 80.5 | 79.8 |
| Hispanic | 69.4 | 69.8 | 70.0 | 68.6 | 68.7 | 68.3 | 67.6 | 67.2 |
| Substantial | 72.2 | 72.4 | 72.7 | 71.1 | 71.5 | 71.2 | 70.9 | 70.0 |
| Predominant | 65.9 | 66.6 | 66.9 | 65.6 | 65.5 | 64.9 | 63.9 | 64.0 |

NA = Change from 1988 to 1989 not calculated. 0 and -0 = Positive and negative change of less than 0.05 percent.

Note: Previous years' earnings converted to 1996 dollars using the chained-type personal consumption expenditures price index.

Source: Calculated by ERS using data from the Bureau of Labor Statistics, Bureau of Economic Analysis.

## Appendix table 10—Real per capita income, by place of residence, 1989-96

| Place of residence | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 |
|---|---|---|---|---|---|---|---|---|
| | | | | 1996 dollars | | | | |
| Nonmetro | 17,091 | 17,199 | 17,009 | 17,365 | 17,551 | 17,856 | 18,096 | 18,527 |
| Black | 14,387 | 14,577 | 14,717 | 15,069 | 15,313 | 15,793 | 16,081 | 16,489 |
| Substantial | 15,006 | 15,155 | 15,258 | 15,635 | 15,920 | 16,329 | 16,681 | 17,071 |
| Predominant | 13,062 | 13,332 | 13,550 | 13,844 | 13,993 | 14,622 | 14,764 | 15,206 |
| Native American | 12,557 | 12,770 | 12,908 | 13,248 | 13,570 | 13,572 | 13,671 | 13,843 |
| Substantial | 13,470 | 13,986 | 14,128 | 14,570 | 14,971 | 15,021 | 15,267 | 15,509 |
| Predominant | 11,745 | 11,711 | 11,842 | 12,104 | 12,360 | 12,325 | 12,317 | 12,431 |
| Hispanic | 14,406 | 14,829 | 14,504 | 14,583 | 15,185 | 14,721 | 14,700 | 14,876 |
| Substantial | 16,060 | 16,645 | 16,244 | 16,425 | 17,305 | 16,622 | 16,568 | 16,896 |
| Predominant | 12,653 | 12,927 | 12,712 | 12,718 | 13,071 | 12,834 | 12,855 | 12,886 |
| Metro | 24,151 | 24,257 | 23,859 | 24,176 | 24,382 | 24,699 | 25,405 | 25,944 |
| United States | 22,699 | 22,815 | 22,462 | 22,791 | 22,994 | 23,309 | 23,918 | 24,436 |
| | | | | Percent | | | | |
| Change from previous year: | | | | | | | | |
| Nonmetro | NA | 0.6 | -1.1 | 2.1 | 1.1 | 1.7 | 1.3 | 2.4 |
| Black | NA | 1.3 | 1.0 | 2.4 | 1.6 | 3.1 | 1.8 | 2.5 |
| Substantial | NA | 1.0 | .7 | 2.5 | 1.8 | 2.6 | 2.2 | 2.3 |
| Predominant | NA | 2.1 | 1.6 | 2.2 | 1.1 | 4.5 | 1.0 | 3.0 |
| Native American | NA | 1.7 | 1.1 | 2.6 | 2.4 | 0 | .7 | 1.3 |
| Substantial | NA | 3.8 | 1.0 | 3.1 | 2.7 | .3 | 1.6 | 1.6 |
| Predominant | NA | -.3 | 1.1 | 2.2 | 2.1 | -.3 | -.1 | .9 |
| Hispanic | NA | 2.9 | -2.2 | .5 | 4.1 | -3.1 | -.1 | 1.2 |
| Substantial | NA | 3.6 | -2.4 | 1.1 | 5.4 | -3.9 | -.3 | 2.0 |
| Predominant | NA | 2.2 | -1.7 | 0 | 2.8 | -1.8 | .2 | .2 |
| Metro | NA | .4 | -1.6 | 1.3 | .9 | 1.3 | 2.9 | 2.1 |
| United States | NA | .5 | -1.5 | 1.5 | .9 | 1.4 | 2.6 | 2.2 |
| | | | | 1996 dollars | | | | |
| Amount by which income lags metro income: | | | | | | | | |
| Nonmetro | 7,060 | 7,059 | 6,850 | 6,811 | 6,831 | 6,844 | 7,309 | 7,417 |
| Black | 9,765 | 9,680 | 9,141 | 9,107 | 9,069 | 8,906 | 9,324 | 9,455 |
| Substantial | 9,146 | 9,102 | 8,600 | 8,541 | 8,462 | 8,371 | 8,724 | 8,873 |
| Predominant | 11,089 | 10,925 | 10,309 | 10,332 | 10,389 | 10,077 | 10,640 | 10,738 |
| Native American | 11,594 | 11,487 | 10,950 | 10,928 | 10,812 | 11,127 | 11,733 | 12,101 |
| Substantial | 10,681 | 10,272 | 9,731 | 9,606 | 9,411 | 9,678 | 10,138 | 10,435 |
| Predominant | 12,407 | 12,547 | 12,016 | 12,072 | 12,022 | 12,375 | 13,088 | 13,513 |
| Hispanic | 9,745 | 9,429 | 9,354 | 9,593 | 9,197 | 9,978 | 10,705 | 11,068 |
| Substantial | 8,091 | 7,613 | 7,615 | 7,751 | 7,077 | 8,077 | 8,837 | 9,048 |
| Predominant | 11,498 | 11,330 | 11,147 | 11,458 | 11,311 | 11,865 | 12,550 | 13,058 |
| | | | | Percent | | | | |
| Ratio of income to metro income: | | | | | | | | |
| Nonmetro | 70.8 | 70.9 | 71.3 | 71.8 | 72.0 | 72.3 | 71.2 | 71.4 |
| Black | 59.6 | 60.1 | 61.7 | 62.3 | 62.8 | 63.9 | 63.3 | 63.6 |
| Substantial | 62.1 | 62.5 | 64.0 | 64.7 | 65.3 | 66.1 | 65.7 | 65.8 |
| Predominant | 54.1 | 55.0 | 56.8 | 57.3 | 57.4 | 59.2 | 58.1 | 58.6 |
| Native American | 52.0 | 52.6 | 54.1 | 54.8 | 55.7 | 54.9 | 53.8 | 53.4 |
| Substantial | 55.8 | 57.7 | 59.2 | 60.3 | 61.4 | 60.8 | 60.1 | 59.8 |
| Predominant | 48.6 | 48.3 | 49.6 | 50.1 | 50.7 | 49.9 | 48.5 | 47.9 |
| Hispanic | 59.6 | 61.1 | 60.8 | 60.3 | 62.3 | 59.6 | 57.9 | 57.3 |
| Substantial | 66.5 | 68.6 | 68.1 | 67.9 | 71.0 | 67.3 | 65.2 | 65.1 |
| Predominant | 52.4 | 53.3 | 53.3 | 52.6 | 53.6 | 52.0 | 50.6 | 49.7 |

NA = Change between 1988 and 1989 not calculated. 0 = Less than 0.05-percent growth.

Note: Previous years' incomes converted to 1996 dollars using the chained-type personal consumption expenditures price index.

Source: Calculated by ERS using data from the Bureau of Economic Analysis.

**Appendix table 11—Per capita income and transfer payments, by residence, 1996, and average annual changes in transfer payments, 1989-96[1]**

| Item | 1996 | | Average annual change[2] | | | |
|---|---|---|---|---|---|---|
| | Income | Share of transfers | 1989-96 | 1989-91 | 1991-94 | 1994-96 |
| | Dollars | Percent[3] | Percent | | | |
| Nonmetro: | | | | | | |
| Earnings | 11,225 | n/a | 0.61 | -1.16 | 2.00 | 1.03 |
| Personal income | 18,529 | n/a | 1.07 | -.24 | 1.64 | 1.87 |
| Transfer payments | 3,894 | 100.0 | 4.20 | 5.56 | 3.43 | 2.45 |
| Retirement/disability | 1,945 | 50.0 | 1.82 | 2.29 | 1.80 | 1.24 |
| Social Security | 1,454 | 37.4 | 1.76 | 2.16 | 1.82 | 1.07 |
| Medical | 1,352 | 34.7 | 8.57 | 11.79 | 7.39 | 5.04 |
| Medicare | 743 | 19.1 | 6.88 | 5.03 | 7.51 | 7.11 |
| Medicaid | 602 | 15.4 | 11.44 | 21.68 | 7.71 | 2.90 |
| Income maintenance programs | 362 | 9.3 | 4.94 | 6.74 | 5.53 | .93 |
| Supplemental Security Income | 114 | 3.0 | 6.01 | 5.25 | 7.82 | 1.60 |
| Aid to Families with Dependent Children | 51 | 1.3 | -2.52 | 4.57 | -2.28 | -11.05 |
| Food Stamps | 87 | 2.2 | 2.79 | 11.53 | .10 | -5.21 |
| Other income maintenance | 110 | 2.8 | 13.18 | 4.13 | 20.25 | 14.76 |
| Unemployment insurance | 86 | 2.2 | 10.67 | 25.53 | -4.63 | -1.96 |
| Veterans' benefits | 100 | 2.6 | -1.09 | -3.28 | -.91 | .27 |
| Other transfer programs | 48 | 1.2 | 1.65 | -5.06 | -2.01 | 8.60 |
| Metro: | | | | | | |
| Earnings | 17,200 | n/a | .67 | -1.31 | 1.26 | 1.91 |
| Personal income | 25,944 | n/a | .99 | -.60 | 1.16 | 2.49 |
| Transfer payments | 3,841 | 100.0 | 4.05 | 5.21 | 3.51 | 2.21 |
| Retirement/disability | 1,903 | 49.5 | 1.90 | 2.00 | 1.85 | 1.66 |
| Social Security | 1,248 | 32.5 | 1.70 | 1.87 | 1.76 | 1.23 |
| Medical | 1,365 | 35.5 | 7.45 | 9.51 | 7.11 | 4.54 |
| Medicare | 736 | 19.1 | 5.57 | 3.7 | 6.47 | 6.46 |
| Medicaid | 621 | 16.2 | 10.45 | 17.94 | 8.39 | 2.67 |
| Income maintenance programs | 372 | 9.7 | 4.60 | 6.96 | 5.80 | -.43 |
| Supplemental Security Income | 109 | 2.8 | 6.20 | 5.47 | 7.68 | 2.62 |
| Aid to Families with Dependent Children | 90 | 2.3 | -1.05 | 4.58 | -.19 | -8.27 |
| Food Stamps | 82 | 2.2 | 6.16 | 16.33 | 4.97 | -5.25 |
| Other income maintenance | 92 | 2.4 | 9.73 | 1.90 | 15.87 | 11.23 |
| Unemployment insurance | 84 | 2.2 | 12.02 | 30.49 | -2.47 | -7.62 |
| Veterans' benefits | 76 | 2.0 | -1.02 | -2.82 | -.89 | .43 |
| Other transfer programs | 46 | 1.1 | 1.49 | -3.03 | -1.12 | 5.00 |

n/a = Not applicable.

[1]Government transfer payments to individuals (95 percent of all transfer payments). See p. 119 for definition of government transfer programs.

[2]Change in real 1996 dollars.

[3]Percentages shown for the major categories sum to 100. Percentages for the subcategories may not sum to the category value because only selected programs are included.

Source: Calculated by ERS using data from the Bureau of Economic Analysis.

**Appendix table 12—Nonmetro per capita income and transfer payments, by region and selected county types, 1996**

| County type | Per capita income | Per capita transfers | Transfers as a share of income | Share of transfers from | | | Share of counties designated high transfers |
|---|---|---|---|---|---|---|---|
| | | | | Retirement/ disability | Medical programs | Income maintenance programs | |
| | Dollars | | Percent | | | | |
| All nonmetro | 18,529 | 3,894 | 21.0 | 50.0 | 34.7 | 9.3 | 25.0 |
| Region: | | | | | | | |
| Northeast | 20,599 | 4,130 | 20.0 | 50.0 | 36.5 | 7.6 | 7.4 |
| Midwest | 19,348 | 3,668 | 19.0 | 53.5 | 34.0 | 6.8 | 15.2 |
| South | 17,452 | 4,052 | 23.2 | 47.2 | 36.4 | 11.0 | 37.5 |
| West | 18,622 | 3,736 | 20.0 | 51.7 | 29.5 | 10.1 | 16.0 |
| Minority concentration: | | | | | | | |
| Black | 16,489 | 4,137 | 25.1 | 41.5 | 38.3 | 15.0 | 45.9 |
| Substantial | 17,077 | 4,092 | 24.0 | 43.4 | 38.2 | 13.4 | 32.3 |
| Predominant | 15,206 | 4,232 | 27.8 | 37.6 | 38.5 | 18.4 | 68.8 |
| Native American | 13,843 | 3,845 | 27.8 | 33.5 | 34.3 | 18.5 | 59.0 |
| Substantial | 15,509 | 3,701 | 23.9 | 38.9 | 35.0 | 15.0 | 41.2 |
| Predominant | 12,431 | 3,966 | 31.9 | 29.2 | 33.8 | 21.3 | 72.7 |
| Hispanic | 14,876 | 3,696 | 24.8 | 40.1 | 37.8 | 16.4 | 36.4 |
| Substantial | 16,896 | 3,717 | 22.0 | 44.6 | 36.4 | 13.6 | 15.7 |
| Predominant | 12,886 | 3,674 | 28.5 | 35.6 | 38.9 | 19.0 | 64.9 |
| Other types: | | | | | | | |
| Retirement-destination | 19,584 | 4,308 | 22.0 | 54.8 | 31.7 | 7.7 | 31.6 |
| Persistent-poverty | 15,450 | 4,162 | 26.9 | 40.5 | 38.5 | 15.0 | 62.9 |
| High transfers, 1994-96 | 15,414 | 4,696 | 30.5 | 43.9 | 38.0 | 12.4 | 100.0 |

Note: See pp. 118-119 for definition of regions and pp. 119-120 for ERS county types (typology codes).
Source: Calculated by ERS using data from the Bureau of Economic Analysis and revised ERS typology codes.

**Appendix table 13—Nonmetro per capita transfer payments for public assistance, by minority county types, 1996**

| County type | Medicaid | SSI[1] | AFDC[2] | Food stamps | Other income maintenance[3] | All public assistance |
|---|---|---|---|---|---|---|
| | | | 1996 dollars | | | |
| Nonmetro | 602 | 114 | 51 | 87 | 110 | 964 |
| Counties: | | | | | | |
| Black | 772 | 222 | 55 | 155 | 189 | 1,393 |
| Substantial | 742 | 193 | 53 | 134 | 168 | 1,290 |
| Predominant | 834 | 285 | 61 | 199 | 235 | 1,614 |
| Native American | 854 | 186 | 160 | 188 | 178 | 1,566 |
| Substantial | 695 | 173 | 110 | 124 | 149 | 1,251 |
| Predominant | 988 | 198 | 202 | 243 | 202 | 1,833 |
| Hispanic | 699 | 146 | 106 | 163 | 189 | 1,303 |
| Substantial | 645 | 117 | 97 | 124 | 168 | 1,151 |
| Predominant | 752 | 176 | 116 | 200 | 208 | 1,452 |

[1]Supplemental Security Income.
[2]Aid to Families with Dependent Children (replaced by Temporary Assistance to Needy Families beginning in mid-1996).
[3]Includes general assistance, emergency assistance, refugee assistance, foster home care payments, earned income tax credits, and energy assistance.
Source: Calculated by ERS using data from the Bureau of Economic Analysis.

## Appendix table 14—Poverty rates, by residence, region, and selected characteristics, 1996

| Item | Poverty rate | | Share of poor | |
|---|---|---|---|---|
| | Nonmetro | Metro | Nonmetro | Metro |
| | Percent | | | |
| Total | 15.9 | 13.2 | 100.0 | 100.0 |
| By region: | | | | |
| Northeast | 10.7 | 13.0 | 7.0 | 21.2 |
| Midwest | 12.4 | 10.2 | 23.6 | 16.6 |
| South | 18.7 | 14.0 | 51.6 | 34.8 |
| West | 18.4 | 15.0 | 17.7 | 27.5 |
| By race/ethnicity: | | | | |
| White non-Hispanic | 12.2 | 7.5 | 63.2 | 39.4 |
| Black non-Hispanic | 35.2 | 26.9 | 20.7 | 27.1 |
| Hispanic | 33.4 | 28.9 | 11.1 | 27.4 |
| Native American | 33.7 | 28.6 | 3.7 | 1.5 |
| By family type: | | | | |
| Husband-wife headed families | 8.2 | 6.5 | 34.9 | 32.2 |
| Female-headed families | 41.1 | 34.4 | 37.4 | 40.4 |
| Women living alone | 30.4 | 22.7 | 14.3 | 14.0 |
| Men living alone | 22.7 | 15.8 | 9.3 | 9.0 |
| By age: | | | | |
| 0-17 | 22.4 | 20.0 | 38.1 | 40.0 |
| 18-64 | 13.5 | 10.9 | 50.1 | 51.3 |
| 65+ | 13.5 | 9.9 | 11.8 | 8.7 |
| By family employment: | | | | |
| One or more full-time-full-year workers | 5.0 | 3.9 | 20.4 | 21.0 |
| Part-time or part-year worker(s) only | 40.7 | 35.1 | 43.6 | 37.8 |
| No family member employed | 56.8 | 64.2 | 25.9 | 33.8 |
| No working-age person in family | 14.8 | 11.3 | 10.0 | 7.4 |
| By educational attainment (persons age 25 and above only): | | | | |
| Less than high school graduation | 24.9 | 24.8 | 45.7 | 42.2 |
| High school diploma or GED | 11.4 | 9.7 | 35.6 | 32.1 |
| Some college or associate degree | 8.1 | 6.7 | 14.4 | 17.0 |
| Bachelor's degree or more | 3.7 | 3.3 | 4.3 | 8.7 |

Notes: See pp. 118-119 for definition of regions. Shares of poor by race/ethnicity and family type do not add to 100 percent because not all categories are included. Work status refers to employment during the entire year. For persons living alone, family employment refers to the person's own work status.

Source: Calculated by ERS using data from the Bureau of the Census March 1997 Current Population Survey.

**Appendix table 15—Selected characteristics of children, by residence, 1996**

| Item | Metro | Nonmetro | All |
|---|---|---|---|
| | | Thousands | |
| Number of children | 56,458 | 14,192 | 70,650 |
| | | Percent | |
| Share of population | 26.4 | 27.1 | 26.5 |
| Age (years): | | | |
| Less than 6 | 34.1 | 31.5 | 33.6 |
| 6+ | 65.9 | 68.5 | 66.4 |
| Average age | 8.4 | 8.8 | 8.5 |
| Region: | | | |
| Northeast | 20.5 | 9.7 | 18.3 |
| Midwest | 22.0 | 30.3 | 23.7 |
| South | 32.1 | 43.0 | 34.3 |
| West | 25.4 | 17.0 | 23.7 |
| Race: | | | |
| White | 61.6 | 75.9 | 64.6 |
| Black | 16.4 | 12.4 | 15.6 |
| Hispanic | 16.6 | 7.8 | 14.8 |
| Native American | .6 | 2.3 | .9 |
| Other | 4.8 | 1.6 | 4.1 |
| Family structure: | | | |
| Two-parent family | 69.8 | 70.2 | 69.9 |
| Single-parent family | 30.2 | 29.8 | 30.1 |
| Education of parents: | | | |
| Two-parent family—— | | | |
| Both high school graduate | 80.4 | 75.8 | 79.5 |
| One high school graduate | 10.6 | 14.0 | 11.2 |
| Neither high school graduate | 9.0 | 10.2 | 9.3 |
| Single-parent family—— | | | |
| Head high school graduate | 72.8 | 75.4 | 73.3 |
| Head not high school graduate | 27.2 | 24.6 | 26.7 |
| No-earner family | 4.1 | 5.1 | 4.3 |
| Family size: | | | |
| One child | 24.0 | 23.9 | 24.0 |
| Two children | 40.5 | 37.5 | 39.9 |
| Three or more children | 35.5 | 38.6 | 36.1 |

Source: Calculated by ERS using data from the March 1997 Current Population Survey.

**Appendix table 16—Poverty rates of rural children, by selected characteristics and race/ethnicity, 1996**

| Item | White | Black | Hispanic | Native American | All |
|---|---|---|---|---|---|
| | | | Thousands | | |
| Number of children | 1,863 | 882 | 505 | 134 | 3,457 |
| | | | Percent poor | | |
| Age (years): | | | | | |
| Less than 6 | 22.2 | 60.9 | 48.0 | 47.7 | 30.4 |
| 6+ | 15.1 | 44.7 | 44.5 | 37.2 | 21.6 |
| Region: | | | | | |
| Northeast | 15.3 | 28.6* | 36.0* | 100.0* | 15.9 |
| Midwest | 14.8 | 43.1 | 31.0* | 40.6 | 16.9 |
| South | 18.8 | 51.3 | 45.6 | 37.8 | 29.8 |
| West | 21.3 | 30.4* | 49.2 | 40.9 | 28.8 |
| Family structure: | | | | | |
| Two-parent family | 8.5 | 17.7 | 36.0 | 37.1 | 12.0 |
| Single-parent family | 45.2 | 68.0 | 74.8 | 43.6 | 53.5 |
| Education of parents: | | | | | |
| Two-parent family—— | | | | | |
| Both high school graduate | 4.6 | 9.5 | 16.0 | 14.4* | 5.6 |
| One high school graduate | 19.6 | 25.5 | 37.1 | 66.7* | 23.4 |
| Neither high school graduate | 35.5 | 41.1 | 3.2 | 72.4* | 44.2 |
| Single-parent family—— | | | | | |
| Head high school graduate | 41.2 | 64.0 | 66.9 | 35.0 | 47.6 |
| Head not high school graduate | 64.4 | 75.7 | 81.1 | 70.5 | 71.6 |
| No-earner family | 79.0 | 95.3 | 95.5 | 100.0 | 87.0 |
| Family size: | | | | | |
| One child | 17.8 | 44.6 | 38.8 | 33.3* | 23.0 |
| Two children | 14.6 | 46.6 | 37.2 | 32.0 | 19.6 |
| Three or more children | 20.0 | 55.2 | 53.3 | 50.3 | 29.8 |

*Weighted number less than 30 cases.

Source: Calculated by ERS using data from the March 1997 Current Population Survey.

**Appendix table 17—Characteristics of households by poverty status, race/ethnicity, and age, 1995**

| Characteristic | Total | | White | | Hispanic | | Black | | 65 or older | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro |
| Nonpoor households: | | | | | Thousands | | | | | |
| U.S. total | 17,798 | 65,129 | 16,108 | 50,587 | 524 | 5,138 | 974 | 6,989 | 4,436 | 12,446 |
| Tenure— | | | | | Percent | | | | | |
| Owners | 77.9 | 67.0 | 79.0 | 72.2 | 62.3 | 46.8 | 67.7 | 48.3 | 88.0 | 80.1 |
| Renters | 22.1 | 33.0 | 21.0 | 27.8 | 37.7 | 53.3 | 32.3 | 51.7 | 12.0 | 19.9 |
| Household type— | | | | | | | | | | |
| 1 person | 21.5 | 23.5 | 21.6 | 24.2 | 19.1 | 14.9 | 22.3 | 26.6 | 37.8 | 38.6 |
| 2+ persons: all adults | 42.4 | 39.5 | 43.3 | 41.7 | 29.8 | 32.7 | 35.4 | 29.8 | 58.5 | 55.2 |
| 1 or more children | 36.1 | 37.1 | 35.1 | 34.1 | 51.1 | 52.4 | 42.3 | 43.7 | 3.7 | 6.2 |
| Householder age— | | | | | | | | | | |
| Under 45 | 42.5 | 49.7 | 41.9 | 47.3 | 47.8 | 63.0 | 46.6 | 54.2 | n/a | n/a |
| 45 to 64 | 32.6 | 31.2 | 32.3 | 31.3 | 41.5 | 27.1 | 34.2 | 32.5 | n/a | n/a |
| 65 or older | 24.9 | 19.1 | 25.8 | 21.4 | 10.7 | 9.9 | 19.1 | 13.3 | n/a | n/a |
| Housing quality— | | | | | | | | | | |
| Crowded | 1.2 | 1.8 | .8 | .8 | 10.1 | 10.2 | 2.6 | 2.3 | .2 | .3 |
| Lacking plumbing | 1.3 | 1.3 | 1.3 | 1.2 | 1.5 | 1.3 | 2.6 | 1.9 | 1.9 | 1.4 |
| Moderately inadequate | 4.8 | 3.3 | 4.0 | 2.6 | 11.1 | 6.7 | 14.9 | 6.3 | 3.7 | 2.7 |
| Severely inadequate | 1.6 | 1.8 | 1.5 | 1.5 | 1.5 | 2.2 | 3.2 | 3.1 | 2.1 | 1.5 |
| Expensive | 2.4 | 5.7 | 2.4 | 5.3 | 3.4 | 7.6 | 2.0 | 6.1 | 2.5 | 8.6 |
| Poor households: | | | | | Thousands | | | | | |
| U.S. total | 3,789 | 10,979 | 2,828 | 5,634 | 196 | 1,898 | 618 | 2,954 | 1,320 | 2,639 |
| Tenure— | | | | | Percent | | | | | |
| Owners | 52.8 | 37.1 | 56.9 | 49.2 | 39.2 | 23.2 | 42.2 | 24.9 | 71.2 | 56.3 |
| Renters | 47.2 | 62.9 | 43.1 | 50.8 | 60.8 | 76.8 | 57.8 | 75.1 | 28.8 | 43.7 |
| Household type— | | | | | | | | | | |
| 1 person | 40.4 | 31.1 | 43.5 | 39.0 | 27.1 | 14.9 | 35.3 | 28.5 | 69.0 | 62.0 |
| 2+ persons: all adults | 20.9 | 21.0 | 23.1 | 26.8 | 10.5 | 14.2 | 16.2 | 13.3 | 24.9 | 27.1 |
| 1 or more children | 38.7 | 47.8 | 33.4 | 34.1 | 62.4 | 70.9 | 48.5 | 58.2 | 6.1 | 10.8 |
| Householder age— | | | | | | | | | | |
| Under 45 | 40.9 | 51.0 | 37.1 | 42.1 | 61.9 | 64.4 | 47.5 | 57.9 | n/a | n/a |
| 45 to 64 | 24.2 | 25.0 | 24.0 | 26.3 | 16.3 | 23.3 | 26.8 | 22.6 | n/a | n/a |
| 65 or older | 34.8 | 24.0 | 38.8 | 31.6 | 21.8 | 12.3 | 25.6 | 19.5 | n/a | n/a |
| Housing quality— | | | | | | | | | | |
| Crowded | 4.1 | 8.9 | 2.5 | 3.5 | 23.4 | 25.9 | 3.7 | 7.7 | .6 | .4 |
| Lacking plumbing | 3.6 | 2.1 | 3.5 | 2.2 | 3.2 | 2.1 | 4.9 | 2.0 | 4.1 | 2.5 |
| Moderately inadequate | 11.7 | 7.9 | 7.6 | 4.9 | 22.4 | 9.2 | 26.5 | 13.2 | 11.5 | 6.6 |
| Severely inadequate | 4.9 | 3.6 | 4.0 | 2.6 | 6.7 | 4.9 | 7.2 | 4.9 | 4.4 | 3.3 |
| Expensive | 42.2 | 63.4 | 45.6 | 67.3 | 28.4 | 58.8 | 33.9 | 57.0 | 34.4 | 57.5 |

See notes at end of table.

Continued—

## Appendix table 17—Characteristics of households by poverty status, race/ethnicity, and age, 1995—Continued

| | Total | | White | | Hispanic | | Black | | 65 or older | |
|---|---|---|---|---|---|---|---|---|---|---|
| Characteristic | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro | Nonmetro | Metro |
| | | | | | Thousands | | | | | |
| All U.S. households | 21,586 | 76,107 | 18,936 | 56,221 | 720 | 7,037 | 1,592 | 9,943 | 5,756 | 15,084 |
| | | | | | Percent | | | | | |
| Tenure— | | | | | | | | | | |
| Owners | 73.4 | 62.7 | 75.7 | 69.9 | 56.0 | 40.4 | 57.8 | 41.4 | 84.1 | 75.9 |
| Renters | 26.6 | 37.3 | 24.3 | 30.1 | 44.0 | 59.6 | 42.2 | 58.6 | 15.9 | 24.1 |
| Household type— | | | | | | | | | | |
| 1 person | 24.9 | 24.6 | 24.9 | 25.7 | 21.3 | 14.9 | 27.3 | 27.1 | 44.9 | 42.7 |
| 2+ persons: all adults | 38.6 | 36.8 | 40.3 | 40.2 | 24.5 | 27.7 | 27.9 | 24.9 | 50.8 | 50.3 |
| 1 or more children | 36.6 | 38.6 | 34.8 | 34.1 | 54.2 | 57.4 | 44.7 | 48.0 | 4.3 | 7.0 |
| Householder age— | | | | | | | | | | |
| Under 45 | 42.2 | 49.9 | 41.2 | 46.7 | 51.7 | 63.4 | 47.0 | 55.3 | n/a | n/a |
| 45 to 64 | 31.2 | 30.3 | 31.0 | 30.8 | 34.6 | 26.1 | 31.4 | 29.6 | n/a | n/a |
| 65 or older | 26.7 | 19.8 | 27.8 | 22.4 | 13.7 | 10.5 | 21.7 | 15.2 | n/a | n/a |
| Housing quality— | | | | | | | | | | |
| Crowded | 1.7 | 2.9 | 1.1 | 1.1 | 13.8 | 14.4 | 3.0 | 3.9 | .3 | .3 |
| Lacking plumbing | 1.7 | 1.4 | 1.6 | 1.3 | 2.0 | 1.5 | 3.5 | 1.9 | 2.4 | 1.6 |
| Moderately inadequate | 6.0 | 4.0 | 4.5 | 2.8 | 14.1 | 7.4 | 19.4 | 8.3 | 5.5 | 3.3 |
| Severely inadequate | 2.2 | 2.0 | 1.9 | 1.6 | 2.9 | 2.9 | 4.8 | 3.6 | 2.7 | 1.8 |
| Expensive | 9.4 | 14.0 | 8.8 | 11.5 | 10.2 | 21.4 | 14.4 | 21.2 | 9.8 | 17.2 |

n/a = Not applicable.

Source: Calculated by ERS using data from the 1995 American Housing Survey.

## Appendix table 18—Demographic and earnings characteristics of hired farmworkers, 1990-97

| Characteristics | 1990 | 1991 | 1992 | 1993 | 1994[1] | 1995[1] | 1996 | 1997 |
|---|---|---|---|---|---|---|---|---|
| | | | | Thousands | | | | |
| Number of workers | 886 | 884 | 848 | 803 | 793 | 849 | 906 | 889 |
| | | | | Percent | | | | |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Gender: | | | | | | | | |
| Male | 82.9 | 82.4 | 83.8 | 84.7 | 83.7 | 84.5 | 84.2 | 83.3 |
| Female | 17.1 | 17.6 | 16.2 | 15.3 | 16.3 | 15.5 | 15.8 | 16.7 |
| Racial/ethnic group: | | | | | | | | |
| White | 61.0 | 60.3 | 59.7 | 57.5 | 51.3 | 53.5 | 58.9 | 52.4 |
| Hispanic | 29.4 | 28.3 | 30.7 | 33.6 | 41.3 | 41.1 | 36.0 | 41.0 |
| Black and other | 9.6 | 11.4 | 9.6 | 8.9 | 7.4 | 5.3 | 5.1 | 6.6 |
| Age (years): | | | | | | | | |
| Less than 25 | 31.5 | 25.0 | 24.7 | 27.2 | 28.0 | 30.1 | 27.9 | 30.7 |
| 25-44 | 47.6 | 51.6 | 52.6 | 51.1 | 48.8 | 44.2 | 46.0 | 45.6 |
| 45-59 | 14.4 | 15.1 | 16.3 | 16.2 | 17.2 | 18.2 | 19.1 | 17.1 |
| 60 and older | 6.5 | 8.3 | 6.4 | 5.5 | 6.0 | 7.5 | 7.0 | 6.6 |
| Marital status: | | | | | | | | |
| Married | 53.3 | 53.4 | 53.5 | 51.8 | 58.5 | 58.5 | 56.3 | 52.1 |
| Widowed, divorced, or separated | 8.9 | 11.2 | 10.1 | 9.5 | 8.7 | 7.5 | 8.1 | 8.4 |
| Never married | 37.8 | 35.4 | 36.4 | 38.6 | 32.8 | 34.0 | 35.6 | 39.5 |
| Schooling completed:[2] | | | | | | | | |
| 0-4 years | 11.1 | 11.5 | 14.1 | 16.4 | 13.4 | 14.2 | 13.1 | 12.2 |
| 5-8 years | 21.6 | 21.2 | 16.0 | 17.4 | 22.9 | 22.5 | 19.9 | 22.1 |
| 9-11 years | 22.8 | 22.6 | 27.0 | 21.8 | 22.7 | 22.7 | 24.2 | 24.8 |
| 12 years | 31.4 | 31.0 | 26.9 | 27.0 | 25.9 | 25.9 | 25.4 | 22.3 |
| 13 years or more | 13.1 | 13.7 | 16.0 | 17.4 | 15.6 | 14.7 | 17.4 | 18.6 |
| | | | | 1997 dollars | | | | |
| Median weekly earnings: | | | | | | | | |
| Full-time workers[3] | 295 | 285 | 275 | 278 | 271 | 274 | 286 | 277 |
| All workers | 246 | 247 | 229 | 244 | 258 | 253 | 256 | 250 |

Note: These characteristics are annual averages calculated from the 12 monthly Current Population Survey estimates.

[1]Revised.

[2] Educational attainment levels, beginning January 1992, were revised to reflect degrees or diplomas received rather than years of school completed.

[3]Full-time workers usually work 35 or more hours per week. Data for 1994 and later years are not directly comparable with data for 1993 and earlier years.

Source: Calculated by ERS using data from the Current Population Survey earnings microdata file.

## Appendix table 19—Demographic and earnings characteristics of all wage and salary workers, 1990-97

| Characteristics | 1990 | 1991 | 1992 | 1993 | 1994[1] | 1995[1] | 1996 | 1997 |
|---|---|---|---|---|---|---|---|---|
| | | | | Thousands | | | | |
| Number of workers | 104,351 | 103,166 | 104,054 | 105,407 | 108,166 | 110,220 | 112,142 | 114,697 |
| | | | | Percent | | | | |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Gender: | | | | | | | | |
| Male | 52.7 | 52.5 | 52.2 | 52.1 | 52.4 | 52.4 | 52.2 | 52.2 |
| Female | 47.3 | 47.5 | 47.8 | 47.9 | 47.6 | 47.6 | 47.8 | 47.8 |
| Racial/ethnic group: | | | | | | | | |
| White | 78.3 | 78.1 | 77.9 | 77.7 | 76.3 | 76.2 | 75.0 | 74.0 |
| Hispanic | 7.9 | 8.0 | 8.0 | 8.2 | 9.3 | 9.5 | 9.7 | 10.4 |
| Black and other | 13.8 | 13.9 | 14.1 | 14.1 | 14.4 | 14.3 | 15.3 | 15.6 |
| Age (years): | | | | | | | | |
| Less than 25 | 15.8 | 17.2 | 16.7 | 16.6 | 17.1 | 16.8 | 16.2 | 16.4 |
| 25-44 | 56.5 | 55.4 | 55.2 | 54.7 | 54.3 | 53.9 | 53.8 | 53 |
| 45-59 | 21.8 | 21.7 | 22.5 | 23.2 | 23.4 | 24.0 | 24.7 | 25.4 |
| 60 and older | 5.9 | 5.7 | 5.6 | 5.5 | 5.2 | 5.3 | 5.3 | 5.2 |
| Marital status: | | | | | | | | |
| Married | 58.2 | 58.5 | 58.3 | 58.2 | 57.9 | 58.0 | 58.0 | 57.0 |
| Widowed, divorced, or separated | 14.3 | 14.3 | 15.4 | 14.6 | 14.5 | 14.4 | 14.5 | 14.6 |
| Never married | 27.5 | 27.2 | 27.2 | 27.1 | 27.6 | 27.6 | 27.5 | 28.4 |
| Schooling completed:[2] | | | | | | | | |
| 0-4 years | 1.0 | .9 | .9 | .8 | .8 | .8 | .7 | .8 |
| 5-8 years | 4.0 | 3.7 | 3.0 | 2.8 | 2.8 | 2.7 | 2.7 | 2.8 |
| 9-11 years | 10.8 | 10.2 | 10.1 | 9.8 | 9.5 | 9.5 | 9.7 | 10.0 |
| 12 years | 39.4 | 39.2 | 35.0 | 34.4 | 33.3 | 32.7 | 32.4 | 32.4 |
| 13 years or more | 44.8 | 46.0 | 51.0 | 52.2 | 53.6 | 54.3 | 54.4 | 54.0 |
| | | | | 1997 dollars | | | | |
| Median weekly earnings: | | | | | | | | |
| Full-time workers[3] | 496 | 503 | 503 | 505 | 520 | 506 | 492 | 500 |
| All workers | 442 | 436 | 434 | 444 | 433 | 421 | 424 | 432 |

Note: These characteristics are annual averages calculated from the 12 monthly Current Population Survey estimates.

[1]Revised.

[2]Educational attainment levels, beginning January 1992, were revised to reflect degrees or diplomas received rather than years of school completed.

[3]Full-time workers usually work 35 or more hours per week. Data for 1994 and later years are not directly comparable with data for 1993 and earlier years.

Source: Calculated by ERS using data from the Current Population Survey earnings microdata file.

## Appendix table 20—Income and net worth of farm operator households, by farm typology group, 1996

| Item | Operator households | Total household income: Average amount per household | Total household income: From off-farm sources[1] | Total household income: Share of U.S. average household income[2] | Off-farm income: Average amount per household | Off-farm income: From earned sources | Total net worth: Average amount per household | Total net worth: From off-farm sources |
|---|---|---|---|---|---|---|---|---|
| | Number | Dollars | Percent | | Dollars | Percent | Dollars | Percent |
| Small family farms:[3] | | | | | | | | |
| Limited-resource[4] | 291,659 | 10,633 | 127.8 | 22.6 | 13,587 | 48.8 | 103,242 | 19.4 |
| Retirement[5] | 261,428 | 40,729 | 99.7 | 86.4 | 40,594 | 38.0* | 436,259 | 28.0 |
| Residential-lifestyle[5] | 537,181 | 71,673 | 106.1 | 152.1 | 76,067 | 91.4 | 283,724 | 27.5 |
| Farming occupation:[5] | | | | | | | | |
| Lower sales | 524,820 | 31,511 | 104.1 | 66.9 | 32,800 | 67.9 | 409,460 | 15.1 |
| Higher sales | 192,269 | 59,181 | 56.6 | 125.6 | 33,473 | 63.2 | 640,038 | 10.9 |
| Large family farms[3] | 95,485 | 75,674 | 29.6 | 160.6 | 22,409 | 75.6 | 746,526 | 11.1 |
| Very large family farms[3] | 58,822 | 193,798 | 18.0 | 411.3 | 34,951 | 75.7 | 1,488,966 | 7.7 |
| All operator households | 1,961,664 | 50,361 | 84.3 | 106.9 | 42,455 | 74.8 | 404,448 | 17.7 |

Note: Household data are not collected for nonfamily farms.

*The relative standard error exceeds 25 percent but is no more than 50 percent.

[1]Income from off-farm sources can be more than 100 percent of total household income if earnings of the operator household from farming activities is negative.

[2]Average farm household income divided by U.S. average household income ($47,123).

[3]Family farms include farms organized as sole proprietorships, partnerships, or family corporations. Farms operated by hired managers are excluded. As defined here, small farms have gross sales of less than $250,000. Large family farms have sales between $250,000 and $499,999. Very large farms have sales of $500,000 or more.

[4]Limited-resource farms meet three conditions: household income less than $20,000, farm assets less than $150,000, and gross sales less than $100,000.

[5]Small farms other than limited-resource farms are classified according to the major occupation of their operators. Operators of retirement farms are retired. Operators of residential/lifestyle farms report a nonfarm occupation. Operators of farming occupation farms report farming as their major occupation.

Source: 1996 Agricultural Resource Management Study for farm operator and farm household data. Current Population Survey (CPS) for U.S. average household income.

## Appendix table 21— Characteristics of farms and their operators, by farm typology group, 1996

| Item | Unit | Small family farms [1] | | | | |
|---|---|---|---|---|---|---|
| | | | | | Farming occupation [3] | |
| | | Limited-resource [2] | Retirement [3] | Residential/ lifestyle [3] | Lower sales (less than $249,999) | Higher sales ($100,000 to $100,000) |
| Farms | Number | 291,659 | 261,428 | 537,181 | 524,820 | 192,269 |
| Land operated per farm | Acres | 100 | 205* | 176 | 432 | 1,100 |
| Sales less than $10,000 | Percentage of farms | 87.6 | 78.6 | 74.3 | 42.4 | n/a |
| Mean gross cash farm income | Dollars per farm | 5,327 | 10,481 | 11,996 | 30,064 | 152,276 |
| Conservation Reserve Program (CRP) is sole source of gross farm income | Percentage of farms | d | 21.4 | 4.5* | 3.4 | 0 |
| Farms by specialization: | | | | | | |
| Cash grain | do. | 8.0** | 4.0* | 9.4 | 17.9 | 49.0 |
| Other field crops [5] | do. | 17.0* | 41.0 | 18.3 | 17.4 | 7.2 |
| High-value crops [6] | do. | 6.0* | 7.8* | 5.4 | 10.1* | 6.3 |
| Beef | do. | 54.1 | 35.9 | 45.6 | 38.0 | 8.4* |
| Hogs | do. | d | d | d | d | d |
| Dairy | do. | d | d | d | 4.5 | 21.4 |
| Other livestock | do. | 12.0* | 10.7 | 18.0 | 10.0* | d |
| Farms by major farming region: | | | | | | |
| Northeast | do. | d | d | 5.5 | 7.5* | 6.8** |
| Lake States | do. | d | 7.5 | 6.7 | 13.0 | 16.3 |
| Corn Belt | do. | 13.6* | 24.0 | 17.9 | 13.8 | 29.8 |
| Northern Plains | do. | d | d | 7.7* | 8.4 | 17.3 |
| Appalachia | do. | 20.4* | 23.0* | 19.9 | 12.2 | 5.4 |
| Southeast | do. | 4.8* | 8.1* | 8.2 | 8.2 | 5.3* |
| Delta | do. | 7.5* | 6.6* | 9.9* | 3.8 | 3.3* |
| Southern Plains | do. | 29.6* | 11.0* | 12.7 | 18.1 | 6.0 |
| Mountain | do. | d | 4.1* | 5.5 | 6.6 | 5.7 |
| Pacific | do. | d | 4.8* | 6.0 | 8.5 | 4.2 |
| Average age | Years | 61 | 71 | 48 | 58 | 52 |
| Operators by occupation: | | | | | | |
| Farming | Percentage of operators | 32.2 | n/a | n/a | 100.0 | 100.0 |
| Hired manager | do. | n/a | n/a | n/a | n/a | n/a |
| Something else | do. | 19.1* | n/a | 100.0 | n/a | n/a |
| Retired | do. | 48.7 | 100.0 | n/a | n/a | n/a |

See notes at end of table.

Continued—

**Appendix table 21—Characteristics of farms and their operators, by farm typology group, 1996—Continued**

| Item | | Large family farms[1] (sales of $255,000 to $499,999) | Very large family farms[1] (sales of $500000 or more) | Nonfamily farms[4] | All U.S. farms |
|---|---|---|---|---|---|
| Farms | Number | 95,485 | 58,822 | 47,238* | 2,008,902 |
| Land operated per farm | Acres | 1,311 | 2,343 | 904* | 459 |
| Sales less than $10,000 | Percentage of farms | n/a | n/a | 55.7* | 55.2 |
| Mean gross cash farm income: | Dollars per farm | 315,020 | 972,849 | 259,158* | 77,326 |
| Conservation Reserve Program (CRP) is sole source of gross farm income | Percentage of farms | 0 | 0 | d | 5.3 |
| Farms by specialization: | | | | | |
| Cash grain | do. | 40.2* | 24.1 | 27.2** | 16.8 |
| Other field crops[5] | do. | 15.3* | 19.0 | 10.1* | 19.5 |
| High-value crops[6] | do. | 7.1* | 10.5 | 11.3* | 7.5 |
| Beef | do. | 7.1* | 12.3 | 10.6* | 36.4 |
| Hogs | do. | 3.7 | 6.5 | d | 2.2* |
| Dairy | do. | 15.2* | 12.8 | d | 4.6 |
| Other livestock | do. | 11.3 | 14.7 | d | 13.0 |
| Farms by major farming region: | | | | | |
| Northeast | do. | 7.5** | 5.2** | d | 5.7* |
| Lake States | do. | 9.3 | 6.3 | d | 9.5 |
| Corn Belt | do. | 21.0 | 18.0 | 6.4** | 18.0 |
| Northern Plains | do. | 16.4* | d | d | 9.4 |
| Appalachia | do. | 9.4* | d | d | 15.7 |
| Southeast | do. | 5.4* | 8.8 | 5.0** | 7.2 |
| Delta | do. | 6.0* | d | d | 6.6 |
| Southern Plains | do. | 12.0* | d | d | 16.1 |
| Mountain | do. | 6.6 | 8.7 | 7.9** | 5.2 |
| Pacific | do. | 6.4* | 16.3 | 10.6* | 6.5 |
| Average age | Years | 50 | 51 | 54 | 56 |
| Operators by occupation: | Percentage of | | | | |
| Farming | operators | 97.5 | 94.9 | 20.4** | 48.3 |
| Hired manager | do. | n/a | n/a | 66.7 | 1.6* |
| Something else | do. | d | 4.5* | d | 30.0 |
| Retired | do. | d | d | d | 20.1 |

n/a = Not applicable.

d = Data suppressed due to insufficient observations or a relative standard error that exceeds 75 percent.

*The relative standard error exceeds 25 percent but is no more than 50 percent.

**The relative standard error exceeds 50 percent but is no more than 75 percent.

[1]Family farms include farms organized as sole proprietorships, partnerships, or family corporations. Farms operated by hired managers are excluded. As defined here, small farms have gross sales of less than $250,000. Large family farms have sales between $250,000 and $499,999. Very large farms have sales of $500,000 or more.

[2]Limited-resource farms meet three conditions: household income less than $20,000, farm assets less than $150,000, and gross sales less than $100,000.

[3]Small farms other than limited-resource farms are classified according to the major occupation of their operators. Operators of retirement farms are retired. Operators of residential/lifestyle farms report a nonfarm occupation. Operators of farming occupation farms report farming as their major occupation.

[4]Nonfamily farms include farms organized as nonfamily corporations or as cooperatives, as well as farms operated by hired managers.

[5]Includes farms where the Conservation Reserve Program (CRP) is the sole source of gross farm income.

[6]Vegetables, fruits, tree nuts, and horticultural specialties.

Source: 1996 Agricultural Resource Management Study.